The organisation characteristics is associated with the risk perception among the entrepreneurs. Hence, this research has made an attempt to analyse the association between the organisation variable and risk perception among the entrepreneurs with the help of one way analysis of variance. The organisation variables include nature of industry, type of industry, years of experience, nature of ownership and capital invested. Table 6.30 shows the results of One-way ANOVA.

<table>
<thead>
<tr>
<th>Sl.No.</th>
<th>Organisation variable</th>
<th>F-Statistics</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Functional risk</td>
<td>Business risk</td>
<td></td>
</tr>
<tr>
<td>1.</td>
<td>Nature of industry</td>
<td>2.9162</td>
<td>3.9792*</td>
<td></td>
</tr>
<tr>
<td>2.</td>
<td>Type of industry</td>
<td>1.6861*</td>
<td>1.9691*</td>
<td></td>
</tr>
<tr>
<td>3.</td>
<td>Years of experience</td>
<td>2.4508*</td>
<td>2.9109*</td>
<td></td>
</tr>
<tr>
<td>4.</td>
<td>Nature of ownership</td>
<td>2.2171</td>
<td>2.8687*</td>
<td></td>
</tr>
<tr>
<td>5.</td>
<td>Capital investment</td>
<td>2.2676*</td>
<td>1.4541</td>
<td></td>
</tr>
</tbody>
</table>

*Significant at 5 per cent level.

REFERENCES

CHAPTER-VII
CHAPTER-VII

SUMMARY OF FINDINGS, POLICY IMPLICATIONS AND CONCLUSION

The favourable constellation of external forces is the opportunity environment that initiates the process of entrepreneuring. The social upheaval, cultural progressiveness, political pressures and economic needs are some of the compatible pre-conditions for entrepreneurial development. But, the entrepreneurial success depends primarily on the appropriateness of the individual’s strategy rather than on the favourableness of the environment. With this background, the present study is undertaken with the following objectives:

6. To identify the antecedents that have led to the emergence of entrepreneurs;
7. To analyse the entrepreneurial attitude and involvement in business;
8. To correlate the entrepreneurial performance with their characteristics;
9. To assess the entrepreneurs’ perception about business problems, functional risk and business risk; and
10. To bring about the assistances and support needed for furthering the entrepreneurial spirit.

7.1 FINDINGS

The dynamism of entrepreneurs is the after-effect of their precursory state of affairs. Social mobility is crucial in the making of entrepreneur. The spatial movement, educational attainment and changing the occupations transform one to take initiative and to try out venture.

Provenance analysis shows that most of the entrepreneurs in Coimbatore District, 60 per cent, hailed from rural nativity and majority of entrepreneurs in Madurai District (56%) had urban origin. It implies that Coimbatore District has more migrant entrepreneurs than Madurai District.

Among entrepreneurs in Coimbatore District, those with professional education especially technical are more than those with just elementary schooling. The reverse is true for entrepreneurs in
Madurai District. Inter-generation occupational mobility analysis reveals that, of the pooled entrepreneurs, two-thirds (68.42%) are ‘pure’ first generation entrepreneurs, as their parents’ occupations were agricultural labourer, farmer, private and Government employment others are first generation entrepreneurs with parents’ occupation being trade and industrial work. None has inherited entrepreneurship.

The previous occupation of entrepreneur signals the intra-generation occupational mobility. Among entrepreneurs in Coimbatore District, 69.66 per cent and among entrepreneurs in Madurai District, 77.69 per cent have moved from private employment, Government employment and industrial work.

The analysis of age and years of experience brings out the age at entry into enterprise. Most of the entrepreneurs (45.11%) belong to the middle age 41-50 years. Of them (23.95%) have 11-20 years experience. They have made the entry at the thrifty age of thirty.

The joint family system in the case of 52 per cent of entrepreneurs represents the social cohesion or family members’ team network as the factor enabling entrepreneurship. Majority of entrepreneurs (57.52%) have two sources of income. In Coimbatore District (56.55%) and in the pooled group of entrepreneurs 57.52 per cent belong to two-earner families. The “middle class income” is the promising source of entrepreneurship.

Two-fifth of the entrepreneurs in Coimbatore District, Madurai District and pooled group (39.47%) have higher economic motivation in relation to the other two categories of moderate and low levels of economic motivation.

One-half of entrepreneurs in each category have high business information intelligence due to media exposure.
The contact network measured in terms of active participation in trade association and other social activities is good for the 54.48 per cent entrepreneurs in Coimbatore district, 40.51 per cent of entrepreneurs in Madurai district and 48.12 of per cent pooled entrepreneur.

The scientific inclination is low in the case of 47.37 per cent of entrepreneurs in relation to the other two categories of moderate and good levels of scientific temperament. Same is the case with regard to the risk-taking. But, the banking habit is high for 43.61 per cent of entrepreneurs in relation to the other two categories of moderate and low levels of banking orientation.

The collective characteristics encompassing economic motivation, information intelligence, contract network, scientific temperament, risk and banking orientation is the entrepreneurial personality index. The mean personality index lies between 41-60 per cent.

Among entrepreneurs in Coimbatore District, organizational involvement, faithful workers, and managerial expertise were the enablers for the start-up of enterprise whereas among entrepreneurs in Madurai District, the enablers were friends, self-confidence and managerial expertise. The enablers for the pooled group were adequate financial availability, innovative thinking, co-operation of family members, organizational involvement, faithful workers and managerial expertise.

The facilitating characteristics for the start-up of enterprise have been grouped into four meaningful factors such as empowerment, supporting structure, socialization and financial buoyancy. Empowerment is the most significant factor due to the higher reliability co-efficient 0.7981. Empowerment factor is positively associated with education, provenance, occupational background, parents’ occupation, personal income and personality index.

Entrepreneurs in Madurai District have mercenary money motive and they are mostly necessity entrepreneurs. But, the entrepreneurs in Coimbatore District have missionary motives such as joy of ownership, social prestige and proving one’s superiority.
The pooled entrepreneurship reveals that entrepreneurs have a mix of mercenary and missionary motives such as money making, social recognition, proving superiority, use of idle funds and family business.

The individual motives have been grouped into four factors such as ambition, societal relevance, intra-family networking and necessity. As per the eigen value the most important factor is ‘ambition’ and the least important factor is ‘necessity’.

A list of 45 statements rated by entrepreneurs has been factor analysed. Among the extracted four factors, innovation, achievement, self-esteem and self-control, the significant factor is innovation with the high reliability co-efficient of 0.8394.

The Entrepreneurial Attitude Orientation Index (EAOI) is the composite of innovation, achievement, self-esteem and self control. EAOI is relatively better for entrepreneurs in Coimbatore District than for entrepreneurs in Madurai District. The pooled data reveals that 35.34 per cent of entrepreneurs have high EAOI.

EAOI is associated with education, provenance, personal income, family income and personality index. It is also associated with type of production unit engaged in finished product and capital investment.

The regression model has been fitted relating EAOI with the impacting independent variables of entrepreneurial profile characteristics – after examining the idea that profile characteristics are free from the defects of multi-collinearity. A unit increase in education, personal income, family income and personality index results in an increase in EAOI by 0.2411, 0.1403, 0.2126 and 0.2504 units respectively. But, a unit increase in age results in a decrease of EAOI by 0.1807 units.

The enterprise involvement on the part of Coimbatore District entrepreneurs has been proved statistically significant in the cases of the pride in being an entrepreneur, making major decisions and
several sources of inspiration. The help during setting up stage, making major decision, and time spent towards enterprise related work stand for statistically significant enterprise involvement for entrepreneurs in Madurai District.

The Enterprise Involvement Index is the composite of ten variables. The majority of entrepreneurs are in 41 – 60 per cent EII. The entrepreneurial characteristics age, education, provenance, size of family, earning members, personal income and personality index are associated with Enterprise Involvement Index.

The type of industry (producing mostly finished product), experience, nature of ownership (partnership) and capital investment are associated with the Enterprise Involvement Index.

Most of the entrepreneurs do business with co-operative partners. Family members partnership tantamount to intra-family cohesion or networking enabling the success of entrepreneurship.

The mean investment is Rupees Ten to Fifteen lakhs in Coimbatore District and Rupees Five to Ten lakhs in Madurai District. The tiny and small enterprises want to remain in the same scale of operation, due to the interactive favourable environment within the firm.

The majority of entrepreneurs depend more on own funds, private lenders and other industrialists than on organized financial institutions.

They adopt mostly the labour-intensive technology. Relatively, entrepreneurs in Coimbatore District have generated more employment opportunities than entrepreneurs in Madurai District.

The entrepreneurs do have the marketing know-how and therefore they do not mostly outsource the marketing of their products. They are closest to the local customers. They have intimate connections with the consumers. But, majority of them do business throughout the nation. After liberalization, they perceive export opportunities and some have extended their business to the global market.
Among the pooled entrepreneurs, most of them are able to make profit around rupees five to seven lakhs per annum. Same is the performance of entrepreneurs in Coimbatore District. But, entrepreneurs in Madurai District have relatively low profit performance.

The entrepreneurial characteristics such as age, education, occupational background, personal income and personality index are associated with net profit. Type of industry, years of experience, nature of experience and capital investment are associated with net profit.

Innovation, achievement and self-control of entrepreneurs have impact on net profit. Discriminant Analysis reveals that there is significant difference between good performers and poor performers with regard to net profit. They differ in the cases of innovation, achievement and self-control.

The higher discriminating power is identified in the case of achievement followed by innovation as the respective Wilk’s Lambda are 0.1236 and 0.2173.

The discriminant analysis of enterprise involvement on the part of good and poor performers has shown the higher discriminant power in the case of time spent related to enterprise work, major decisions and sources of inspiration.

Among the entrepreneurs in Coimbatore District, sources of inspiration, managing various functions and satisfaction influence the profit performance. Among entrepreneurs in Madurai District, sources of inspiration, managing various function, time spent towards, unit related work, satisfaction, training and pride in being an entrepreneurs influence the profit performance. The analysis of pooled data reveals that a unit increase in sources of inspiration, managing various functions, satisfaction, and pride in being an entrepreneur results in increase in profit by 0.1828, 0.2332, 0.1803 and 0.1524 units respectively.
The higher canonical discriminant co-efficients, 0.2917, 0.2617 and 0.2143 are related to satisfaction, sources of inspiration and pride in being an entrepreneur respectively.

The risk perception by entrepreneurs in Coimbatore District has revealed the high distribution cost, entry of many players and confounding business opportunities as the key risks.

The risk perceived by entrepreneurs in Madurai District are partnership problem, lack of availability of low cost substitute, and high cost of operation.

The entrepreneurs in Coimbatore District and Madurai District differ in respect of risks such as poor financial condition, poor quality perception by consumer, lack of availability of low cost substitute, entry of many players, partnership problems and market concentration.

The risks perceived have been factor analysed and grouped into the first important factor ‘functional risk’ and second factor ‘business risk’.

The important risks in functional risk factor are poor financial condition, low skilled labour and poor packing as the factor loadings are higher.

The important business risks are entry of many players, lack of availability of low cost submitted and confounding business opportunities.

Functional risk is associated with education, occupational background, personal income, family income and personality index. Business risk is associated with age, education, occupational background, personal income, family income and personality index. Functional risk is associated with type of industry, years of experience and capital investment. Business risk is associated with nature of industry, type of industry, years of experience and nature of ownership. The risk perception index of 20 – 40 per cent on the part of Coimbatore District entrepreneurs is lower than 41 – 60 per cent risk perception by Madurai District entrepreneurs.
The functional and business related risk perception results in decline in net profit. The rate of influence is identified as higher in the case of business risk.

The putative problems perceived by Coimbatore District entrepreneurs are frequent need for working capital.

The 23 problems encountered by entrepreneurs have been factor analysed to group them as meaningful five factors. They are factious labour, faulty management, financial stringency, fire-fighting to face competition and fast-changing technology. The most important factor is factious labour. These factors are associated with certain entrepreneurial characteristics like personality index. These factors are associated with the years of experience in business. These five factors when increase by one unit will lead to a decline in profit performance.

The problem perception index value is between 41 – 60 per cent for Coimbatore District and pooled entrepreneurs. It is sufficiently large as 61 to above 80 for entrepreneurs in Madurai District.

Entrepreneurs in Coimbatore District identified business opportunity through technical education, work experience, training and contact network whereas entrepreneurs in Madurai District identified opportunity through education and trading experience.

Entrepreneurs in Coimbatore District related the 25 felt-need for assistances. The programmes about modern machines, development of communication skill and programmes for risk orientation are assistances required for them, as they are statistically significant at 5 per cent level.

Improvement in entrepreneurship, removing the psychological fear and reducing the waiting time to obtain loan are the statistically significant assistances required by entrepreneurs in Madurai District.

The twenty five assistances required for furthering entrepreneurship have been factor analysed. The analysis grouped assistances into four meaningful factors such as psychological assistance, financial
assistance, technical assistance and marketing assistance. The most important factor on the basis of
eigen value and larger per cent of variation is psychological assistance.

There is association between the four factors relating to assistances required and personality
index. There is association between the factor analysed assistances required and years of experience
and type of industry.

Among entrepreneurship attitude orientation, enterprise involvement, risk perception and
problem perception “the entrepreneurship attitude orientation has higher discriminant power” as it has
the lowest Wilk’s Lambda value of 0.1334, as it has high unstandardised canonical discriminant co-
efficient 1.2341, as its percentage of contribution in total discriminant is high as 63.32.

Among the entrepreneurial profit performance variables production has the higher discriminant
power than others. But the relative contribution of the discriminant variables in total discriminant score
is the highest for cost of production. Hence, cost has the higher discriminant power in describing the
entrepreneurial profit performance in Coimbatore and Madurai Districts.

7.2 POLICY IMPLICATIONS

1. The potential of small scale enterprises to generate employment opportunities has to be
increasingly availed of to absorb the projected increase in young population in India.

2. The emerging middle class people earning in IT enabled services can be motivated to start new
enterprises.

3. The relevant conciliatory measures have to be taken up to tackle the factious labour which is
exigent problem confronted by enterprises.
4. The industrial workers with problem-solving ability and creativity can be motivated to venture into the starting up of their own enterprise. The required structural training has to be imparted to them.

5. Through augmented Entrepreneurship Development Programme (EDP) the faulty management practices have to be rectified and entrepreneurial traits have to be fostered.

6. The state-of-the-art technical support has to be enhanced through government investment in Research and Development so that the entrepreneurs will emerge as pressure group for the industrialization of Madurai region.

7. The entrepreneurs who supply the products to national market can be tied up with export agencies or Freight forwarders to take advantage of piggy backing method of export promotion.

8. The existing business information intelligence among entrepreneurs has to be further reinforced to appropriately adapt to the environment in tandem with the notion of ‘Survival of the Adaptive’ rather than the ‘Survival of the Fittest’.

9. The banking habit has to be encouraged as credit is the crucial element enabling entrepreneurship. Viability of the project rather than security offering capacity of the entrepreneurs could indeed be of immense help for aspiring entrepreneurs requiring financial support.

10. The need for harnessing the new initiatives and business opportunities has become the social imperative as entrepreneurs in Madurai District feel that they are lagging behind entrepreneurs in Coimbatore District in the matter of industrial growth. This felt-need has to be fulfilled.

7.3 CONCLUSION
Entrepreneurs in Coimbatore District are courageous “opportunity entrepreneurs” with migrant character, technical education and the advantage of intra-family support. They have relatively more Entrepreneurial Attitude orientation. They have self-sustained effort for the success of entrepreneurship. They can prove their mettle without the government support.

Entrepreneurs in Madurai District are ‘necessity entrepreneurs’. Middle class income is the source of entrepreneurship. They expressed the view that psychological boost up was what they require badly. As they have trading background, they are relatively mercenaries rather than missionaries. They need government support to induce the emergence the new entrepreneurs.

The slow and sluggish industrialization in Madurai district is attributed to lack of initiative to become entrepreneur. The mushrooming of industries and infrastructural facilities in Coimbatore district is only due to the entrepreneurs’ self-sustained efforts. This coincides with the notion of integrated theory of entrepreneurship that emphasises the outweighing of personality traits over the external forces for the success of entrepreneuring.

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BOOKS