CHAPTER – I

INTRODUCTION TO THE STUDY
Chapter I

INTRODUCTION TO THE STUDY

1.1 INTRODUCTION

Entrepreneurship is a process which involves various activities to be undertaken to start an enterprise. It is, thus, a process of giving birth to a new enterprise. In nutshell, entrepreneurship is what entrepreneurs do. It involves innovation and risk bearing.

In the prevailing competitive environment, getting employment becomes a Herculean task for the youngsters who complete their graduation or diplomas or professional / technical courses, even though they are potential / talented and active. Since their number who passes out every year is numerous, they could not be, as such, employed in the government / private sector undertakings. Only few are employed in the corporate houses. Remaining are being idle and straying for getting jobs. To avoid this, the Government has been taking essential steps by way of creating awareness among the youngsters about entrepreneurship.

The basic step in the process of making a prospect into an entrepreneur is identification of potential youngsters who possess the courage, confident and willingness to take risks. Of course, it is sure that the youngsters who umpteen numbers pass out from colleges every year are not fully aware of entrepreneurship. So, it is very important on the part of the government to make awareness about the entrepreneurship.

For this purpose only, both the central and state governments in India give more importance to Entrepreneurship Development and allot huge amount of funds in
every year. Because, government has realized that Entrepreneurship Development will only be an appropriate alternate for job seekers in India.

This study analyses the roles and functions of Entrepreneurship Development Cells in educational institutions, especially Engineering Colleges, which were created with the intention of promoting entrepreneurship among students.

1.2 EMPLOYMENT SITUATION IN INDIA

The employment situation in our country is marred by a number of ugly remarks. Many are underemployed, many are unemployed, Quite a number despite educated does not find an appropriate platform to use their talent or skill. Basically unemployment in India is structural in nature. It is associated with the inadequacy of productive capacity to create enough jobs for all those who are able and will to work. In India not only is productive capacity much below the needed quantity, it is also found increasing at a slow rate. As against this, additions to labour-force are being made at a fast rate on account of the rapidly growing population. Thus, while new productive jobs are on the increase, the rate of increase being low, the absolute number of unemployed persons is raising year by year.

This sort of unemployment is not a temporary phenomenon in the sense that it will pass off on its own after a lapse of time. It is chronic. It requires for its solution by the application of long-term measures for rectifying the defects in the economic structure. In other words, it is the development of the economy alone that can take care of unemployment.

1.3 ENTREPRENEURSHIP DEVELOPMENT

The Entrepreneur as a person brings in overall change through innovation for the maximum social good. Human values remain sacred and inspire him to serve
Entrepreneurship is a dynamic activity, which helps the entrepreneur to bring changes in the process of production, innovation in production, new usage of materials, creator of market etc. It is a mental attitude to foresee risk and uncertainty with a view to achieve certain strong motive. It also means doing something in a new and effective manner.

Entrepreneurship Development is a process in which persons are injected with motivational drives of achievement and insight to tackle uncertain and risky situation especially in business undertakings. The process of Entrepreneurship Development focuses on training, education, reorientation and creation of conductive and healthy environment for the growth of enterprises. The Entrepreneurship Development is a key to achieve overall economic development through high level of industrial activity.

1.4 ENTREPRENEURSHIP DEVELOPMENT CELLS

Entrepreneurship Development Cell is created for the purpose to create awareness about entrepreneurship in the minds of young Indians. The Entrepreneurship Development Cell organizes many entrepreneurship development programmes to eliminate those who do not possess the basic capabilities for entering
into business ventures, weed out such persons and help develop latent facilities of those who possess potential for becoming entrepreneurs.

1.5 ENTREPRENEURSHIP DEVELOPMENT PROGRAMMES

Entrepreneurship Development Programmes are designed to help a person in strengthening and fulfilling his / her entrepreneurial motive and in acquiring skills and capabilities necessary for playing his entrepreneurial role effectively. Towards this end, it is necessary to promote his understanding of motives, motivation pattern and their impact on behaviour and entrepreneurial value.

1.6 NEED AND IMPORTANCE OF THE STUDY

Governments spends huge amount for the purpose of developing entrepreneurship in India. Most of these funds are spent through Department of Science and Technology, All India Council for Technical Education, University Grants Commission, etc. to the educational Institutions spread over in India for setting up Entrepreneurship Development Cells. The role of Entrepreneurship Development Cell is significant since they have direct link between the beneficiaries and the government agencies. The prospects get benefits directly from the Entrepreneurship Development Cell only. The role and functions of Entrepreneurship Development Cells are highly significant as it is directly proportional to the benefits the prospects received from the Entrepreneurship Development Cells. Only when the Entrepreneurship Development Cells perform well, the mission of Government i.e., Entrepreneurship Development would be possible to happen. This is highly motivated the researcher to study the role and functions of Entrepreneurship Development Cells in the present scenario.
1.7 OBJECTIVES OF THE STUDY

The following are the objectives of the study:

- To study about the various programmes organized by the Entrepreneurship Development Cells in Tamilnadu
- To know the working style of various Entrepreneurship Development Cells in Tamilnadu sponsored by various funding agencies
- To assess the existing role played by Entrepreneurship Development Cells
- To develop generalized models for effective functioning of Entrepreneurship Development Cells and
- To offer suggestions to the relevant authorities for successful implementation of the models

1.8 SCOPE OF THE STUDY

In Entrepreneurship Development, Techno-preneurship is gaining momentum in India due to the advancement in the field of Science and Technology. So, more importance is given for research studies in the field of technical entrepreneurship to develop more and more entrepreneurs in Science and Technology areas. There is more number of Technical Educational Institutions who are involved in the promotion of Entrepreneurship in our country. Since it is a difficult task to cover up all the Technical Educational Institutions for the study, the research study is restricted to the Engineering Colleges in Tamilnadu only. It is expected that the results would be beneficial in taking decisions for the importance of the functioning of Entrepreneurship Development Cells and to promote Entrepreneurship.
This study is confined only to the Entrepreneurship Development Cells in Engineering Colleges in Tamilnadu. The study period was 2005–2007.

1.9 RESEARCH METHODOLOGY

The following is the methodology followed by the researcher to carry out this research.

1.9.1 Research Design

Research design is the conceived plan and structure of investigation to obtain answers to the research questions. The problem under research is to describe certain characteristics such as applications, dependency, acceptability and advantages of the subject matter under consideration. The researcher has brought out the existing nature of these characteristics of the subject matter with respect to the study organization with the help of detailed analysis of the collected data. Hence the research design that has been adopted for this research is ‘Descriptive’ analysis.

1.9.2 Descriptive Research

The major purpose of descriptive research is description of the state of affairs as it exists at present. The researcher has no control over the variables but only reports as to what has happened or what is happening. Descriptive research will facilitate the researcher to obtain accurate and complete information regarding a concept or a situation or a practice. The methods of research utilized in descriptive research are survey methods including comparative and correlation methods. Descriptive research studies are concerned with describing the characteristics of a particular individual, or of a group. Descriptive studies are those concerned with specific predictions, narration of facts and characteristics concerning individual,
group or situation. The objective of a descriptive study will revolve around who, what, when, where and how of a topic.

1.9.3 Pilot Study

Before peeping into the area of the role and functions of Entrepreneurship Development Cells, a pilot study was conducted to find the feasibility and the relevance of the present study. For this purpose contact had been made with the Entrepreneurship Development Cells involved in organizing training programmes to the various segments of the society, like, Engineering students, ITI and Diploma students, Unemployed Youth, etc. for assessing the significance and validity of carrying out the research work. As per the favourable results from the pilot study, the present research was conducted.

1.9.4 Data Collection

In the present study both primary and secondary data have been used. The secondary data have been collected from the reports, magazines, newspapers, textbooks and websites. Further, the researcher has gathered information from international and national journals in the field of management including marketing, business magazines, business dailies, referred text books in Entrepreneurship as well as Entrepreneurship Development and academic studies conducted in the related areas for the purpose to buildup a strong conceptual background including the review of literature for the study.

Primary data have been collected from the Entrepreneurship Development Cells functioning in engineering colleges involved in organizing training programmes for the various segments of the society, like Engineering Students, ITI and Diploma Students and Unemployed Youth in Tamilnadu.
1.9.5 Methods of data collection

For the descriptive type of researches, the best-suited research approach is survey method. From a sample, data is collected and the different magnitudes are measured with respect to the whole population.

The researcher has used structured questionnaire for the purpose of collecting primary data from the Entrepreneurship Development Cells in engineering colleges organizing training programmes to various segments of the society, like, engineering students, ITI and Diploma students and Unemployed Youth.

1.9.6 Design of the Questionnaire

The questionnaire has been designed for collecting the data from the Entrepreneurship Development Cells in engineering colleges organizing training programmes to various segments of the society, like, Engineering students, ITI and diploma students and Unemployed Youth. The questionnaire is divided into two parts as questions related to functions of the Entrepreneurship Development Cells and questions related to the roles of the Entrepreneurship Development Cells. The questionnaire totally consists of twenty-four questions. The model of the questionnaire is given in the annexure.

1.9.7 Pre-testing of the questionnaire

In order to test the validity of the designed questionnaire a pre-test survey has been carried out mainly to see i) whether the respondents have understood all the questions in the questionnaire and ii) whether any particular questions have been unanswerable by the respondents. Pre-testing of the questionnaire implies that it is tried out on a few respondents and the reaction to the questionnaire is observed. It helps us in deciding whether any changes in the question content or the wording of
questions are called for. For pre-testing the questionnaire, totally five Entrepreneurship Development Cells in engineering colleges of Tamilnadu organizing training programmes to various segments of the society, like, Engineering Students, ITI & Diploma Students and Unemployed Youth were surveyed. It was understood from the pre-test survey that the respondents felt difficulty in answering to few questions because of exhaustive invigilation of the Programmes organized by Entrepreneurship Development Cells. So, the researcher sought help to redesign the questions based on the convenience of the respondents. Moreover while carrying out the pre-test survey the researcher could get some relevant questions and also got some inputs to strengthen the rating scale used in the questionnaire from the response of the respondents. Later all questions were inserted in the appropriate places of the questionnaire.

Detailed discussions with the academicians and Experts were held to determine the content validity, which was found to be good.

1.9.8 Sampling design

Sampling design includes the sampling unit, sample population, sample size and the sampling method employed for identifying the potential respondents.

1.9.8.1 Sampling Unit

As discussed in the scope of study, all the Engineering Colleges which are having Entrepreneurship Development Cells during the study period 2005-2007 are considered as the sampling unit of the study.
1.9.8.2 Sample population and size

For the research, the sample population is defined as all the Engineering Colleges in Tamilnadu having Entrepreneurship Development Cells organizing training programmes to various segments of the society, like, Engineering Students, ITI & Diploma Students and Unemployed Youth. In Tamilnadu there are 34 Engineering Colleges having Entrepreneurship Development Cells. The whole population was taken as the sample size of the study.

1.9.8.3 Sampling method used

Census Method:

As the whole population was the sample size of the study, the sampling method adopted for the study was census method. A complete enumeration of all items in the 'population' is known as a census inquiry. It can be presumed that in such an inquiry, when all items are covered, no element of chance is left and highest accuracy is obtained. On behalf of the Entrepreneurship Development Cells, the Chief Coordinators were requested to fill the questionnaire.

1.9.9 Hypotheses of the study

The following research hypotheses are framed on the basis of the objectives set for the study:

1) There is no significant association between the fund received by the Entrepreneurship Development Cells and sufficiency of fund.

2) There is no significant association between the amount received by the Entrepreneurship Development Cell and the additional amount required by the Entrepreneurship Development Cell.
3) There is no significant agreement between the respondents regarding the ranking of participants based on the benefits received by them.

4) There is no significant relationship between total number of Programmes organized and the Fund received by the Entrepreneurship Development Cell.

5) There is no significant relationship between duration of functioning of the Entrepreneurship Development Cell and the total number of programmes organized.

6) There is no significant relationship between interaction of the Fund amount received and the duration of the functioning of the Entrepreneurship Development Cell and total number of programmes organized.

7) There is no correlation between the total numbers of people working and total number of programmes organized by an Entrepreneurship Development Cell.

8) There is no significant agreement between the respondents regarding the Ranking of the participants who have not started the business after attending the training programmes.

9) There is no significant agreement between the respondents regarding the ranking of facilities required for the effective functioning of the Entrepreneurship Development Cells.

10) There is no significant agreement between the respondents regarding the ranking of improving the skills to the trainees.

11) There is no significant agreement between the respondents regarding the ranking of difficulties faced by the Entrepreneurship Development Cells.
12) There is no significant relationship between the type of the programmes and the overall involvement of the Engineering participants.

13) There is no significant relationship between the type of the programmes and the overall involvement of the ITI and Diploma participants.

14) There is no significant relationship between the type of the programmes and the overall involvement of the unemployed youth participants.

1.9.10 Framework of Analysis

1.9.10.1 Analysis of Data

The data collected through the questionnaire were classified and analyzed through various Statistical tools. Data analysis proves to establish the relationship and the influence of one variable on the other variables. Efforts have also been made to prove the hypotheses framed to solve the research problem.

1.9.10.2 Analytical Tools

The researcher has applied certain Statistical tools to analyze the primary data collected from the respondents. Tools such as Frequency Distribution, Bar Charts, Cross Tabulations, and Histograms are used to classify and show the data distribution among the various criteria. Also statistical tools like Chi-square Tests, Friedman’s Test, Kendall’s Coefficient of concordance, One way ANOVA, Factor analysis and Karl Pearson’s Correlation analysis were used to analyze the data and bring out the significant relationship between the variables. Computerized Statistical Packages like SPSS, NCSS, and MS Excel were found to be of immense help for better analysis and accurate results.
a. Cross tabulations

Cross tabulations are used for research studies with variables composed of category data, to inspect the relationships between and among those variables. Cross tabulation is a technique for comparing two classification variables. It uses tables having rows and columns that correspond to the levels or values of each category of variables.

b. Chi-square Test

A number of tests are available to determine if the relationship between two cross tabulated variables is significant. One of the popular tests is chi-square. One of the advantages of chi-square test is that it is appropriate for almost any kind of data. Testing of hypotheses has been taken up with the help of Chi-square test. Chi-square test is based on the chi-square distribution. As a parametric test it is used for comparing a sample variance to a theoretical population variance.

c. ANOVA

Analysis of variance, or ANOVA, is a method of testing the null hypothesis that several group means are equal in the population, by comparing the sample variance estimated from the group means to that estimated within the groups.

i. One way ANOVA

This particular design used when there is only one categorical independent variable and one dependent variable. Each category of an independent variable is called a level. In this type of design we randomly allocate the various sampling elements to the different levels of the independent variable and measure the resulting dependent variable.
ii. A Randomized Block Design

A Randomized Block Design is used if there is an additional variable (Call the Block) which has an impact on the relationship between the independent and dependent variables. This variable is accounted for in the design of randomized block design by explicitly changing the levels of the block and testing if that has impact on the relationship between the independent and dependent variable.

iii. Factorial Design

If two or more independent variables are to be tested through an ANOVA we use a factorial design, because each independent variable in ANOVA is also known as a factor. The factorial Design can accommodate several factors independent variables at several levels of categories each. The major difference in analyzing factorial design with two or more factors is that interaction of two or three factors among themselves form a separate effect.

d. Karl Pearson's Coefficient of Correlation

It is used to ascertain the significant relationship between the selected two variables. Karl Pearson’s Coefficient of Correlation is based on the following assumptions:

i. There is a linear relationship between the variables

ii. The two variables under study are affected by the large number of independent causes so as to form a normal distribution

iii. There is a cause and effect relationship between the forces affecting in the distribution of the items in the two series. If such a relationship is not formed between the variables there cannot be any correlation.
e. Kendall’s Coefficient of Concordance (Kendall’s W)

This test is a nonparametric test of the hypothesis that tests several related samples from the same population which measures the agreement of raters. Each case is a judge or rater and each variable is an item or person being judged. For each variable, the sum of ranks is computed. Kendall’s W ranges between 0 (no agreement) and 1 (complete agreement).\(^7\)

f. Friedman Test

Friedman Test is to test the null hypothesis that k related variables come from the same population. For each case, the k variables are ranked from 1 to k. The test statistic is based on these ranks.\(^8\)

g. Frequency Distribution

Frequency Distribution refers to data classified on the basis of some variable. The term variable refers to the characteristic that varies in amount or magnitude. In a frequency distribution a variable may be either continuous or discrete.\(^9\)

h. Factor Analysis

Factor analysis is a very useful method of reducing the complexity by reducing the number of variables being studied. In a more general way, factor analysis is a set of techniques which, by analyzing correlations between variables, reduces their number into fewer factors which explain much of the original data, more economically. There are two stages in factor analysis.
**Stage 1 – Factor extraction process**

Here our objective is to identify how many factors will be extracted from the data. The most popular method is called Principal component analysis. There is also a rule of thumb based on the computation of an Eigen value, to determine how many factors to extract. The higher the Eigen value of a factor, the higher is the amount of variance explained by the factor.

**Stage 2 – Rotation of Principal component**

After the number of extracted factors is decided upon in stage 1, the next task is to interpret and name the factors. This is done by the process of identifying which factors are associated with which of the original variables. The factor matrix is used for this purpose. The original factor matrix is un-rotated, and is a part of the output from stage 1. The rotated factor matrix comes about in stage 2 and gives as the loading of each variable on each of the extracted factors. Value close to ‘1’ represents high loadings and that close to ‘0’, low loadings. The objective is to find variables which have a high loading on one factor, but low loading on other factors\(^20\).

**1.10 MODEL BUILDING**

Based on the research findings and the theoretical background of the Entrepreneurship Development, the researcher has tried and come out with a feasible model for the Entrepreneurship Development Cells, which can be used in Entrepreneurship Development Cells for improved results and efficient functioning of the Cells.
1.11 LIMITATIONS OF THE STUDY

Like other social research, this research also has the following inherent limitations:

1. This study was restricted to Engineering Colleges in Tamilnadu only; hence the study findings could entirely be applicable to Tamilnadu only. It might not be generalized to the other regions.

2. Since the area of research is of a new orientation, the availability of literature for Entrepreneurship Development Cell is limited, with which the researcher has tried to bring out his focus on the research problem.

1.12 OUTLINE OF THE THESIS

The study report has been organized into seven chapters.

The research Thesis has been prepared keeping in mind the standards followed at various Institutions. The Thesis is adequately divided into different chapters, based on the subject matter to be discussed under each chapter. Each chapter in the thesis gives a vivid picture on the topics in such a manner that the research objectives are clearly established. The outline of the thesis is as follows:

**CHAPTER ONE** deals with the Introduction part of the study, the Need, Scope, and Significance, Objectives of the study and the Research Methodology.

**CHAPTER TWO** discusses about the Entrepreneurship Development in detail forming the basis for the study area. It includes the different types of Entrepreneurs, Scope of Entrepreneurship, Role of Entrepreneurship in Economic Development and Growth of Entrepreneurship.
CHAPTER THREE focuses on the Objectives, Role and Functions of Entrepreneurship Development Cells Programmes organized by Entrepreneurship Development Cells. It also discusses the funding agencies of Entrepreneurship Development Cells.

CHAPTER FOUR briefs the Review of Literature to the study with References in order to support the current research with the previous research findings.

CHAPTER FIVE analyses the Functions of Entrepreneurship Development Cells in Tamilnadu.

CHAPTER SIX analyses the Roles of Entrepreneurship Development Cells in Tamilnadu.

CHAPTER SEVEN deals with the summary of Research Findings, the Recommendations and Conclusion part along with the future directions of the study.

REFERENCES


www.annauniv.edu


Tutorial – Friedman’s Test Defined, *SPSS 13.0* for Window.
