CHAPTER - II

CONCEPTS, DEFINITIONS AND PROFILES

2.1 INTRODUCTION

Having provided the research design, now a theoretical background of the study topic and its concepts is needed. Hence in this chapter, the concept of entrepreneurship is covered with its motivational elements and hindrance factors. Moreover the current scenario regarding female entrepreneurship is also touched upon. In addition, important terms that need elucidation are defined. The area profile of the study area, that is Tirunelveli in the State of Tamilnadu in India, is also presented so that the environment is understood in a better perspective. Finally, based on the profile of the study area, a potential list of entrepreneurial, self-employment and cooperative ventures the students shall possibly reckon to get involved in at their about-to-start work life is provided.

2.2 THEORIES OF ENTREPRENEURIAL MOTIVATION

There are several theories that explain entrepreneurial motivation. Push and Pull Theories of entrepreneurial motivation are important among them. The Push Theory explains that individuals are becoming entrepreneurs because of negative external factors such as difficulty finding jobs, job dissatisfaction, inflexible work hours and insufficient salary. Thus, the Push Factors have negative connotation. On the contrary, the Pull Theory states that individuals are becoming entrepreneurs because of several positive factors such as, to have greater financial rewards, self-fulfillment, independence and other desirable outcomes over paid jobs. Thus, the Pull Factors have positive connotation. Here too, there are significant motivational differences between men and women. For men money, power and autonomy are the main motivators. Conversely for women, flexible hours, wanting to work from home and the need to balance work and family are the main motivators to run a business (Kirkwood, 2009).
It is also emphasised that starting a new venture alone does not constitute entrepreneurship. Instead, the same should be augmented by entrepreneurial behaviour, which is the characteristic of introducing new products, services and technologies that lowers costs and improves efficiency by innovative enterprise management.

### 2.3 SCHOOLS OF THOUGHT OF ENTREPRENEURSHIP

There exists a number of schools of thought regarding the explanation of the entrepreneurial function and behavior both within students and those at work. It is summarised in Table 2.1.

#### TABLE 2.1

**NATURE OF ENTREPRENEURIAL MOTIVATION - SCHOOLS OF THOUGHT**

<table>
<thead>
<tr>
<th>S. No.</th>
<th>School of Thought</th>
<th>Entrepreneur Characterisation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Born Great</td>
<td>The student belongs to the category of great people. He/she is born with innate capacity and potential to act in intuitive, energetic, confident and determined manner.</td>
</tr>
<tr>
<td>2.</td>
<td>Born Classical</td>
<td>The student consistently shows evidence of functioning in an inventive, innovative and creative way.</td>
</tr>
<tr>
<td>3.</td>
<td>Born High</td>
<td>The student, in contrast to the rest of his/her peer group, has superior psychological and behavioural characteristics. Moreover, he/she has values and behavioural patterns that set him/her apart from the rest of society.</td>
</tr>
</tbody>
</table>
| 4.     | Management School | 1. The student is able to identify opportunities, assess risks, plan the process and manage the resources necessary for its successful conclusion.  
2. He/she directs and motivates a team established to achieve specific aims.  
3. He/she acts in an enterprising manner with motivation and mindset suitable for complex and very big organisations. |

(Chris Gerry et al., 2008, with source citation, Cunningham and Lischeron, 1991)
2.4 HINDRANCE AND DEMOTIVATING FACTORS

Many reasons are attributable for the unwillingness of students to start and run an enterprise. These reasons shall be self-directed, imposed by the society or brought upon by the macro socioeconomic environment. First, entrepreneurial demotivating factor is that in a normal economy unemployment rate for educated persons remains below average. In Tamilnadu, it is estimated that the percentage of the academics unemployed in 2011 was 5.9%, which is about half of the overall average unemployment rate. Second, the wage level of persons with education is higher than the general average in most sectors. Thus, after many years of studies, graduates want to play it safe in order to meet their obligations. The obligations come in the form of repayment of educational loans, looking after their elders and family, settling in marriage and fearing some other socioeconomic compulsions. Third, as the about to be graduated male or female student, or more precisely, ‘the budding workman’, does not have adequate job experience and practical expertise, he or she does not consider entrepreneurship as a career option. Fourth, the social stereotyping that academics have strong theoretical orientation to makes graduates to stay off from entrepreneurship or self-employment. More clearly, as academics are readily adjudged to lack proper knowledge of starting and running a venture, students are impelled not to consider entrepreneurship as a career option. Another social perception on similar lines is that the more a student acquires academic knowledge the higher he/she is averse to risk taking, which is an essential quality needed for entrepreneurship. Fifth, expectation of immediate results and higher fruits at the initial stage itself of work is another reason that makes students tremble at venturing into entrepreneurship. Sixth, preconceived notions and preformed opinions that engender with, often high, academic qualification restrains them from putting themselves into modest assignments, humble relationships,
low positions and high work intensities. More specifically, they refuse to descent into the bottom to learn, even from low and illiterate people, and grow therefrom. Thus, their self-made power distance and misplaced desire to take command make them lose potential resource persons, customers, suppliers, consultants and well wishers. Seventh, in many parts of Tamilnadu, student orientation is traditionally towards a job in the public or large private sector. They learn this salary earner way of thinking mostly from their parents and partly from their living environment. Therefore, in a nutshell, situations, perceptions and assumptions related to social security, information, attitude and mindset lead to the obstacles of entrepreneurship.

2.5 FACTORS AFFECTING ENTREPRENEURSHIP

Internal and external factors affect the possibilities of a student to start a business. While internal factors refer to the background and individual aspects, external factors refer to economic, social and situational aspects. Individual and background factors affecting entrepreneurship are age, sex, education, work experience, locus of control, need for achievement and role models. Of them, role models have enormous influence upon individuals. To mention a case, children of successful entrepreneurs always prefer to become entrepreneurs. Economic, social and situational factors affecting entrepreneurship are family and peer influence, social, community and religious values, economic environment, local resources, geographic and climatic conditions and indicators pertaining to culture and demography.

Moreover, certain qualities are necessary in order to succeed as an entrepreneur. Although personal traits and social influence can be measured to estimate how suitable entrepreneurial career is for a person, it is impossible to decisively state beforehand who will became an entrepreneur. This is due to the fact that entrepreneurs are very heterogeneous and so is entrepreneurship. Thus, the intensity of play of these factors
vary between individuals, communities, nations and races. Table 2.2 lists the factors affecting entrepreneurship in an economy under relevant categories.

**TABLE 2.2**

**FACTORS AFFECTING ENTREPRENEURSHIP IN A SOCIETY**

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Category</th>
<th>Factor</th>
</tr>
</thead>
</table>
| 1.     | Demographics | i. Population mix  
          |          | ii. Economic growth rate  
          |          | iii. Religion  
          |          | iv. Median age  
          |          | v. Education expenditure  
          |          | vi. Literacy rate  
          |          | vii. Unemployment rate |
| 2.     | Economy | i. Gross Domestic Product (GDP) per capita  
          |          | ii. Labor force  
          |          | iii. Population below poverty line  
          |          | iv. World rank in ‘Ease of Doing Business’ |
| 3.     | Governance | i. Type of governance  
          |          | ii. Corporate tax rate and structure  
          |          | iii. Political stability  
          |          | iv. Government effectiveness  
          |          | v. Regulatory quality  
          |          | vi. Rule of law  
          |          | vii. Control of corruption  
          |          | viii. Rank in ‘World Governance Indicators’ such as Voice and Accountability, Index of Economic Freedom, and Corruption Perceptions Index |

(Adapted from Barry A. Friedman et al., 2012)

**2.6 WOMEN ENTREPRENEURSHIP AND RELATED MOTIVATION**

Understanding the motivation within female students to become an entrepreneur is important in light of the gender inequality that persists to a relatively greater extent in developing countries like India. For female students, entrepreneurship offers many
benefits. Instead of working for others, it provides them the advantage of being the owner of a business. This in turn gives them functional autonomy, physical and mental independence, personal flexibility and control over financial reward. Financial independence is termed as the pull motivation and flexibility is termed as the push motivation. However, these two motivational elements are intertwined. Studies are lately coming out that attempt to examine the motivation within female students, and women in general, to become entrepreneurs. However cultural, patriarchal and gender barriers are to be analysed beforehand in a qualitative and unbiased manner (S. Arumugam, 2006).

Here although financial independence on one side and flexibility on the other remain the main motivators for women to embrace entrepreneurship, such a motivation varies between individuals, communities and societies. In general, females who have a higher need for achievement and dominance than their peers who are more feminine in nature are more likely to become women entrepreneurs. They want to achieve full potential, to have autonomy and flexibility, to have control over money and above all to become a successful person. Economic reasons, desperation to make money and need to build wealth also force quite a percentage of educated females to be entrepreneurs. Unlike female students from normal and conventional families, those from the higher stratas of the society become entrepreneurs due to varied reasons. They wish to capitalise on business ideas, taste the appeal of startup culture, win their desired company, maintain egotism not to work for someone else, or reject anyone else as their superior.

Further, work core is also one of the most important motivational factors in women deciding to be entrepreneurs. More clearly, the line of work in relation to the local environment, the association or company of like minded fellows and influence of
a communal or religious binding force lead to a work core that units females in entrepreneurship. Finally, hereditary compliance and natural succession also force some females to entrepreneurship. However, disregarding sex, the motivators are ephemeral in the sense they react and adapt to social, cultural and economic transitions (Das, 2000, Dunn and Liang, 2006 and Raman et al. 2008). Table 2.3 provides the categories of motivations for women to become entrepreneurs.

**TABLE 2.3**

**MOTIVATIONS OF WOMEN ENTREPRENEURS**

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Category</th>
<th>Motivations</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Chance Entrepreneurs</td>
<td>i. To keep busy</td>
</tr>
<tr>
<td></td>
<td></td>
<td>ii. Hobby/special interest</td>
</tr>
<tr>
<td></td>
<td></td>
<td>iii. Try something on one’s own</td>
</tr>
<tr>
<td></td>
<td></td>
<td>iv. Flexibility over behaviour, time, work, etc</td>
</tr>
<tr>
<td>2</td>
<td>Forced Entrepreneurs</td>
<td>i. Family/spouse had business/financial challenge</td>
</tr>
<tr>
<td></td>
<td></td>
<td>ii. Needed control over the money</td>
</tr>
<tr>
<td></td>
<td></td>
<td>iii. Do something worthwhile</td>
</tr>
<tr>
<td></td>
<td></td>
<td>iv. Show others I could do it</td>
</tr>
<tr>
<td>3</td>
<td>Created (or, Pulled)</td>
<td>i. To be independent, financially and socially</td>
</tr>
<tr>
<td></td>
<td>Entrepreneurs</td>
<td>ii. Self satisfaction</td>
</tr>
<tr>
<td></td>
<td></td>
<td>iii. Example to children</td>
</tr>
<tr>
<td></td>
<td></td>
<td>iv. Employment to others</td>
</tr>
</tbody>
</table>

(Source: Das, 2000 cited by Tambunan, 2009).

**2.7 DEFINITION OF TERMS**

There are several definitions for entrepreneur and its derivatives like entrepreneurship and entrepreneurial behaviour. Therefore, whenever anyone definition is not relied upon, definition thereof is given in a summary format.
Entrepreneur

Entrepreneurs are described as innovators. Several key definitions of entrepreneur are provided by authors. In summary, an entrepreneur has one or more qualities mentioned below.

1. A self-employed person with uncertain return
2. A person in need of high achievement and autonomy
3. A person who is able to identify opportunities and develop small enterprises
4. A creative innovator
5. A person who undertakes a wealth-creating and value-adding process, through developing ideas, assembling resources and making things happen.

Entrepreneurship

Entrepreneurship is the condition or quality of being an entrepreneur. It is a manifestation of the ability and willingness of individuals, by themselves or in a group, inside or outside the confines of a certain organisational or institutional set-up, to catch and use existing and create new economic possibilities, to introduce their ideas and bring them to the market, overcoming uncertainty and other obstacles, taking decisions about place and way of resources allocation and usage of establishments. Thus entrepreneurship shows willingness and readiness to overcome obstacles.

Entrepreneurial Intention

Entrepreneurial intention is the first step to becoming an entrepreneur. It is defined as the set of instructions an individual gives to himself/herself to behave in certain ways that lead him/her towards entrepreneurship in the foreseeable future. Therefore, for students, entrepreneurial intention represents plans that shape, influence and determine their behaviour and performance. This intention is a function of three factors namely attitude toward the behaviour, subjective norm and perceived
behavioural control. Attitude relates to the student’s overall definition of his or her performing behaviour. Subjective norms refer to his or her perception of the social pressure to perform the behaviour. Perceived behavioural control measures how well he or she can execute the behaviour.

Transitional Economy

Transitional economies refer to developing countries or countries that transitioned to democratic system from communism or despotism. Anyway, the economy has gone from a traditional agriculture and small industries oriented one to that based on capital and services. This, mentioned as liberalisation or globalisation, would take place after they signed agreements with such bodies as International Monetary Fund, World Trade Organisation or the International Bank for Reconstruction and Development (also known as, the World Bank).

2.8 STUDY AREA PROFILE

Area profile of this much detail, which otherwise is not required, shall give valuable information about various vocations and forms of employment opportunities available for the students in the study area.

History

The history of Tirunelveli is bound up with that of the Pandya dynasty. It had been Thenpandiyanadu for them. Imperial Cholas named it Mudikonda Cholamandalam, but the Nayaks changed it to Tirunelveli Seemai. The British East India Company created the district in its present shape in 1790 and called it Tinnevelly. Finally it is Tirunelveli for the Independent India. The district was bifurcated as Nellai Kattabomman and Chidambaranar districts with Tirunelveli and Tuticorin as respective headquarters. As per the decision of the government to call every district by the name of its headquarters, Tirunelveli, it is now the District of Tirunelveli.
**Name Cause**

Tirunelveli is surrounded on all sides by paddy fields. Therefore it was used to be called, ‘Nel Veli’, that is ‘paddy hedge’, or more precisely, ‘hedged as if by paddy’. Since the temple in the town was dedicated to god Shiva, the salutation ‘Thiru’ was added and called Thiru-Nel-Veli. In official parlance however it is Tirunelveli. There is also a legend that states that Shiva protected a devotee’s rice crop there.

**Geography**

Tirunelveli is the penultimate southernmost district of Tamilnadu. The district is located between 08° 8’ and 09° 23’ latitude and 77° 09’ and 77° 54’ longitude. It is the second largest district in Tamilnadu after Viluppuram with a total geographical area of 6,823 sq. km. It is surrounded by Virudhunagar district on the north, Tuticorin district in the east, Kanyakumari district on the south and Western Ghats in the west. The district has diverse geographical and physical features such as lofty mountains and low plains, rivers and cascades, seacoast and thick inland forest, and sandy soils and fertile alluvium. It has rare varieties of flora and protected fauna including tiger. The perennial Tamiraparani River is the lifeline of this district. The river sustains various spheres of activities in agriculture and industry, besides providing drinking water.

The district comprises all the five geographical divisions referred to in Tamil literature. The Western Ghats form the Kurinji (mountainous) land, the Kalakkadu and Mundanthurai forests form the Mullai (forest) land, the regions watered by the Tamiraparani form the Marudham (paddy fields) land, the seacoast and adjacent semi forests along the Gulf of Mannar form the Neithal (coastal) land and the Theri (arid sand dunes) region forms the Palai (desert) land. It gets 100 cm of annual rainfall with temperature ranging between 20\degree C and 40\degree C.
Administration

The district has 3 Revenue Divisions, 11 Taluks, 1 Municipal Corporation, 7 Municipalities, 36 Town Panchayats, 425 Village Panchayats and 628 Villages. Moreover it has 2 Parliamentary and 10 State Assembly constituencies.

Population

Total population of the district is 30,72,880 with 15,78,595 males and 15,54,285 females. That is, for every 1,000 males there are 985 females. As per the 2001 census, it was however 1,042 females.

Economic Scene

The district as a whole is industrially backward. Agriculture is the most important sector of the economy. Other major industries are cement, cotton yarn, calcium carbide, cottonseed oil, paper, cigar, jewellery and rice and flour mill. Most of the population is engaged in agricultural and commercial activities from or near the household itself. They do farming, herding, hand loom, khadhi and handicraft, mat weaving, basket making, tie making, blacksmith works, carpentry, leather tanning, and metal works. After the liberalisation period, many business and institutional entities in banking, financial, telecommunication, health care, hospitality, real estate, educational, hospitality and automobiles have come up in and around the city of Tirunelveli.

Tirunelveli is also one of the milk procurement bases of Aavin, The Tamilnadu Cooperative Milk Producers’ Federation Limited. Limestone is the chief mineral resource of the district. Red garnet sand is another valuable resource. Light traces of sulphides also occur at some places. The 1,22,055 ha. area of the forest (including 81,700 ha. set apart as tiger reserve in Mundanthurai and Kalakadu) and about 20 small rivers contribute to livelihood and economic activities.
The City of Tirunelveli

The city of Tirunelveli is on the banks of the Tamiraparani River. It is one of the twelve municipal corporations in Tamilnadu. It is an important railway junction, and also well served by road. The nearest airport is in Vagaikulam, nearly 30 km from here. The nearest seaport is Tuticorin. The Nellaiappar-Gandhimathi temple, situated in the heart of the town, is one of the biggest and oldest temples in Tamilnadu. It is an important landmark to the city.

Tirunelveli, along with its twin town of Palayamkottai, is popularly known as the Oxford of South India. This is not only because it has quite a number of schools and colleges of historic importance, but also it remains for more than a century as a prominent centre of learning for students of adjoining and far-away districts. Three colleges in Tirunelveli share the fame of existing for more than a century. The Madurai Diraviam Thayumanavar Hindu College was started in 1859, St. John’s College in 1878, and Sarah Tucker College in 1895. Jesuit Missionaries run the famed St. Xavier’s chain of institutions here. Also, the district has a large number of schools, polytechnics, industrial training institutes, and community colleges, both in government and private sectors. Total literacy rate of the district is 82.92 percent with male and female segregate being 89.66 percent and 76.38 percent respectively.

2.9 POTENTIAL OCCUPATIONAL PATTERNS FOR VENTURE DEVELOPMENT

Based on field work and perusal of study area records and profiles, the researcher has compiled a potential list of entrepreneurial, self-employment and cooperative ventures so that the students shall consider to get involved in any of these lines in the near future. These venture development activities are applicable to the study area and its nearby places. The list may have overlapping of ventures, yet the scale of operation and nature of ownership will vary.
1. **Entrepreneurial Ventures**
   i. Large scale agriculture, farming and cold storage  
   ii. Milk and dairy products production and marketing  
   iii. Shipping and clearance services (in relation to the Port of Tuticorin)  
   iv. Export of palmyra palm products  
   v. Salt and gypsum production, trade and export  
   vi. Seafood export  
   vii. Medicinal and aromatic plants and herbs export  
   viii. Educational, academic services  
   ix. Export of handicraft and traditional items like coir, mat, basket, crockery and the like  
   x. Service franchise in telecom, finance, computers, and the like

2. **Self-employment Ventures**
   i. Photocopying and computer job works  
   ii. Electrical/electronic gadget service and repair  
   iii. Garment sale, embroidery and tailoring  
   iv. Catering and related service  
   v. Beautician  
   vi. Computer software and hardware support  
   vii. Coaching and tuition

3. **Cooperative Ventures (possibly through Self Help and Joint Liability Groups)**
   i. Tailoring and garments  
   ii. Making of phenol, candle, paper envelope, incense stick, plastic wire works, and the like  
   iii. Hotel and eateries
iv. Secondary food items such as pappadams, pickles, and the like
v. Large scale flower cultivation
vi. Integrated sanitation programmes
vii. Travel and hospitality
viii. Estate and rentals
ix. Any partnership trading firm
x. Group chits

4. Continuation of Family or Hereditary Business

2.10 CONCLUSION

Entrepreneurship is one of the best tools to overcome economic recession and stagnation in developing countries. Simply encouraging individuals to become entrepreneur does not improve economies. Conversely, the government for its part should provide a set of entrepreneur focused policy initiatives in areas such as capital access, education, bureaucracy, availability of resources, expertise, market opportunities and infrastructure. Common problems are unfavourable tax regulations, unfair business laws, unstable macroeconomic conditions, bureaucratic hurdles, degradation of social values and lack of entrepreneurial culture. Although it is not easy to overcome these problems in the short term, the issue is urgent. Everyone involved should collaborate in order to spread the culture of entrepreneurship. Programmes and workshops that encourage entrepreneurship should address specific barriers faced by individuals in different socioeconomic levels.