

Factors Influencing Sustainability Of Micro Small Medium Enterprise Entrepreneurs

S. Jegadeeswari, J. Sudarvel, R. Velmurugan

Abstract: Success of any nation resides with entrepreneurs, who not only manufacture goods but also offers ample employment opportunities to the unemployed. Thus, entrepreneur's survival is important for the survival of any nation. At present, Micro Small and Medium Size Entrepreneurs (MSMEs) occupy a vital position for the economic development. Thus, in this research paper an effort has been made to ascertain the traits required by MSMEs for their sustainability. The result of study disclose that innovation and risk taking, opportunity identification, tolerance, financial control and managerial self-efficacy are the significant traits for their survival.

Index Terms: Entrepreneurs, Sustainability, Self-efficacy

1 INTRODUCTION

Entrepreneur's acts as a business head who identify business ideas and implement them for the economic development of a country. He not only performs a key function for the industrial development but too development of service and farm sector. Entrepreneurs invest their personal money over and above borrow funds from outsiders for establishing a business enterprise. Entrepreneurs help for creation of wealth and value addition, which is indispensable for industrial and economic development. By establishing more number of micro, small and medium units unemployment and under-employment problem may be reduced to a certain extent, which augments for economic development. Further, establishment of more number of Micro, Small and Medium Enterprises in various areas reduces regional disparity and assist for balanced regional development. Entrepreneurs accelerate reasonable allocation of funds and income to various geographic areas, which directly and indirectly assist larger section of the society. However, hardly entrepreneurs are able to sustain for longer period. Thus, an effort has been made to understand the qualities needed for entrepreneurs for their survival.

2 LITERATURE REVIEW

Lawal, Fatai Alani, Worlu, Rowland E, and Ayoade, Omisade Ezekiel (2016) in their study finds that perceptual factors, management skills, personality, attitudinal, management skills and motivation are the critical skills required for sustainability of entrepreneurship. Edwige Kamitewoko and Brazzaville, Congo (2013) in their study observes that educational qualification, business experience and experience in financial management play vital for the success of entrepreneurship. Nasrul Quadir, Mohammad Saleh Jahur (2011) identified that relationship factor, sustainable factor, supply factor, and product related factor leads to success of an entrepreneurs.

- *Dr.S.Jegadeeswari, Assistant Professor, Department of Commerce, Karpagam Academy of Higher Education (Deemed to be University), Coimbatore, Tamil Nadu, India.*
- *Dr.J.Sudarvel, Assistant Professor, Department of Commerce, Karpagam Academy of Higher Education (Deemed to be University), Coimbatore, Tamil Nadu, India.*
- *Dr.R.Velmurugan, Associate Professor, Department of Commerce, Karpagam Academy of Higher Education (Deemed to be University), Coimbatore, Tamil Nadu, India.*

Mary Kay Copeland (2010) in her study pointed out that risk taking capacity, creativeness, action-orientedness, tolerance of ambiguity and uncertainty, discerning power, intuitiveness, tenacity, resourcefulness, self-confidence, autonomy and control, inquisitiveness, affinity for opportunism, optimism, resilience, persuasion, adaptation, and courage are the pre-requisite qualities required for a successful businessmen. Mahima Rai (2010) in her study identified that leadership qualities, updated market information, ability to associate with others, self-confidence and optimism, capability to predict future business risks, initiative, responsive to suggestions/criticism, extra-ordinary energy and diligence, capacity to face challenges, perception and foresight, resourcefulness and perseverance are the qualities required for sustainability of entrepreneurship. Kumaresan, R (2009) in his book specified that initiation and emulation, creative thinking, wish to accept responsibility, flexibility and sociability, mobility and drive, hardworking ability, aptitude to undertake risk, vision and foresight self-motivation, desire to seek and use feedback, high degree of ambition, inventive ability and sound judgement are the qualities of a successful entrepreneur. Khanka, S.S. (2009) in his study disclose that high optimism, foresight, independence, desire for high achievement, good organizing capacity and innovativeness are the qualities required for success of an entrepreneurs. Gayathri, J. (2009) in his study ascertained that highly optimistic, desire to achieve high, ability to work-hard, organizing ability and creativity are the significant requirements of an entrepreneur. Bholanath Dutta (2009) in his study mentioned the qualities of successful entrepreneur are decision making capacity, dynamic leadership, self-confidence etc. Vasanth Desai (2008) in his book mentioned that successful entrepreneur is one who is a creator and innovator and who establishes and develop a business. Poornima M Charantimath (2008) in her book pointed out that innovation, decision making and risk taking ability, dynamism, problem solving, goal orientation, leadership, achievement motivation, creativity, team building, and commitment are the features required for successful entrepreneur. Lakshman Prasad et al. (2008) in their book pointed out that strategic vision, resourcefulness, personal innovativeness, achievement orientation and opportunity seeking are the basic traits of an entrepreneur [1 – 12].

3 STATEMENT OF PROBLEM

MSME entrepreneurs at all times strive to explore and exploit opportunities, encourage effective resource mobilization of

capital and skill, bring in new products and services and develops markets for growth of the economy. In this way, they help increasing gross national product as well as per capita income of the people in a country. MSME entrepreneurs play a key role in increasing the standard of living of the people by adopting latest innovations in the production of wide variety of goods and services in large scale that too at a lower cost. MSME entrepreneurs also help in promoting a country's export-trade, which is an important ingredient of economic development. They produce goods and services in large scale for the purpose earning huge amount of foreign exchange from export in order to combat the import dues requirement. Economic power is the natural outcome of industrial and business activity. Industrial development normally leads to concentration of economic power in the hands of a few individuals which results in the growth of monopolies. In order to redress this problem a large number of entrepreneurs need to be developed, which will help reduce the concentration of economic power amongst the population. The above point narrates the positive aspect of entrepreneurs towards country's development. But in reality many entrepreneurs are not in a position to sustain in their business due to lack of planning, paucity of capital, lack of financial analysis, lack of expertise in their core area, incorrect choice of business location, above all lack of confidence on their own ability. Thus, in this study an earnest attempt has been made to ascertain: What are the traits an entrepreneur should possess for their sustainability.

4 OBJECTIVE OF THE STUDY

- ❖ To ascertain the traits for MSM Entrepreneurs sustainability

5 SCOPE OF THE STUDY

Data have been collected only from MSME Entrepreneurs of Coimbatore city of Tamilnadu. Further, entrepreneurial traits for their sustainability in the business are ascertained in the study.

6 RESEARCH METHODOLOGY

a. Data

By employing Questionnaire primary data have been collected from MSME entrepreneurs of Coimbatore city. Questions relating to entrepreneurial traits are incorporated in the questionnaire.

b. Sampling

By employing snowball sample method questionnaire has been circulated to 450 MSME entrepreneurs at Coimbatore city. Of which, forty-five questionnaires have not been returned and 21 entrepreneurs have not disclosed information in detail. Hence, the final sample of study forms three hundred and eighty four.

c. Framework of Analysis

Factor Analysis is employed to ascertain the important traits for entrepreneur sustainability.

7 SIGNIFICANCE

The study is immensely useful to Government, MSME, and entrepreneurs. The study assists Government and MSME in understanding skills required by the entrepreneurs and the factors

affecting entrepreneur's sustainability; accordingly Government and MSME may arrange Entrepreneurship Development Programmes (EDP). Further, the study discloses the entrepreneurial traits required by an entrepreneur for their long-term sustainability, which assist entrepreneurs to acquire the relevant skills for their sustainable development.

8 LIMITATIONS

The study exclusively depends on primary data collected from entrepreneurs in Coimbatore. Information as reported by entrepreneurs might be prejudiced as they are likely to express biased opinion.

9 FINDINGS IN ENTREPRENEURIAL TRAITS FOR SUSTAINABILITY

i. Managerial Self Efficacy

Managerial self-efficacy denotes entrepreneur ability to complete tasks and to reach goals within the stipulated time.

ii. Opportunity Identification Self Efficacy

Opportunity identification indicates ascertaining right time, environment and product the identifying the products or services that can be manufactured or offered to the general public. Moreover, Thus, Opportunity identification and selection of right business are like corner stones of business enterprise.

iii. Functional Skills Self Efficacy

Functional skills indicate practical skills possessed by entrepreneurs to work autonomously and to solve familiar as well as unfamiliar day-to-day problems in confidential manner and also assist entrepreneur to extract work from their employees.

iv. Relationship Self Efficacy

Relationship self-efficacy signifies ability of entrepreneurs to understand the feelings of employees and customers. Entrepreneurs who maintain amiable relationship with their customers and employees may sustain in their business.

v. Tolerance Self Efficacy

Tolerance self-efficacy refers to ability of an entrepreneurs to manage their stress, which assist entrepreneurs to take wise decisions with confidence during unexpected challenges encountered by them in their business.

vi. Finance Control Self Efficacy

Finance control implies ability of an entrepreneur to plan and manage scarce financial resource effectively, which assist their business concern to earn higher rate of return on investment and enhances credential status of their firm.

vii. Innovation and Risk Taking Self Efficacy

Innovation and risk taking self-efficacy represent an entrepreneur should possess innovate and risk taking ability. Entrepreneurs need to put much effort for ascertaining the customer's desire. Once an entrepreneurs finds out the customer wants, then entrepreneurs should have ability to undertake risk of manufacturing and marketability of product. Entrepreneurs with innovative and risk taking ability may sustain in the business.

viii. Technical Competency Self Efficacy

Technical Competency self-efficacy implies entrepreneurs' knowledge on machines, ability to learn and adopt new techniques, able to communicate new technique with their employees, maintenance of machineries properly etc. To identify the significant entrepreneurial traits that assist an entrepreneur to sustain in the business factor analysis is employed.

TABLE 1
KMO AND BARTLETT'S TEST

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.733
Approx. Chi-Square	669.774	
Bartlett's Test of Sphericity	Df	28
	Sig.	.000

TABLE 2
ENTREPRENEURIAL TRAITS – FACTOR ANALYSIS

Particulars	1	2
Managerial Self Efficacy	-0.071	0.757
Opportunity Identification Self Efficacy	0.104	0.782
Functional Skills	0.326	0.612
Relationship Self Efficacy	0.490	0.431
Tolerance Self Efficacy	0.759	0.206
Financial Control	0.726	0.003
Innovation and Risk Taking	0.842	0.028
Technical	0.407	0.338
Eigen Values	2.911	1.333
% of Variance Explained	36.387	16.660
Cumulative % of Variance	36.387	53.047

The result of factor analysis disclose that "Innovation and risk taking", "Tolerance self-efficacy", "Financial Control", "Opportunity Identification Self Efficacy" and "Managerial Self Efficacy" are the significant traits that are possessed by an entrepreneur for their sustainability. These significant entrepreneurs' traits collectively contributes to a tune of 53.047 per cent towards entrepreneur sustainability.

10 SUGGESTIONS

In order to survive in the long-run, Micro Small and Medium size entrepreneurs must innovate new products quite often, as desired by the customers. Furthermore, they must not only introduce new products but too adopt new methodology for reducing the cost of production. An entrepreneur can take wise decision, if he / she free from stress. Thus, entrepreneurs may undergo necessary training programme for managing their stress, thereby they are in a position to have wise decision. Survival of any organization depends on effective controlling of finance. Thus, micro small and medium size entrepreneurs have to manage their finance optimally by investing in right projects, which offers high rate of returns. Entrepreneurs have to manufacture goods which are highly demanded by their customers, thereby they can sustain in their business for longer period of time.

11 CONCLUSION

The result of study disclose that innovation and risk taking, tolerance self-efficacy, financial control, opportunity identification self-efficacy and managerial self-efficacy are the

important traits for the survival of Micro Small and Medium Size Entrepreneurs. Thus, entrepreneurs must be innovator not only in manufacturing new products but also in process involved in manufacturing of goods. Further, entrepreneurs have to improve their tolerance level for taking an appropriate decision. Last but not least, entrepreneurs have to maintain proper control on finance, thereby their business sustainability will not be doubtful.

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