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A Study on Challenges Faced by Unrigistered Entrepreneurs in Tenkasi District

S. Thiraviyam[1], Dr. T. Mugesh[2]

[1]*Research Scholar (Full Time), Department of Commerce, Sri Ram Nallamani Yadava College of Arts and Science, Affiliated to Manonmaniam Sundaranar University Abishekapatti, India*
[2]*Assistant Professor, Department of Commerce, Sri Ram Nallamani Yadava College of Arts and Science, Affiliated to Manonmaniam Sundaranar University Abishekapatti, India*

To advance understanding of entrepreneurship process in developing economies, this paper evaluates whether unregister entrepreneur that initially avoid cost of registration and focus their resources on overcoming other liabilities of newness, lay a strong foundation for subsequent growth. Analyzing the world bank enterprise survey data 127 countries and controlling other firm performance determinants register enterprise that start up unregister and spent longer operating employment growth rate. . In India, various initiatives have been taken by the government from time to time for entrepreneurship development in the country. The main purpose of this paper is to study about Entrepreneurship in Tenkasi and its Promotion Under 'STARTUP in Tenkasi district. This study was done based on secondary data collected from multiple sources of evidence, in addition to books, journals, websites, and newspapers. The Primary data has collected from 120 unregister entrepreneurs. In the recent years we have seen a negative impact of informal sector entrepreneurship though it has offered many significant benefits to the society. This paper advances the rethinking on the matter by evaluating the relationship between registration of a business and its future performance. Until now the assumption has been that unregistered start-ups are linked to weaker firm performance.
Keywords: Entrepreneurship, firm's performance, informal sector, start –ups, unregistered firms.

1. Introduction

In today's scenario, unregistered business covers most of the rural market and a substantial part of the urban market. It includes activities carried out by small and family enterprise, partly

and wholly with family labour. This business is marked by low incomes, unstable and irregular employment and lack of protection either from legislation or trade unions. The unregistered business mainly uses indigenous technologies. The contributions made by the unregistered business to the national income, is very substantial as compare to that of the registered business.

Entrepreneurship is neither a science nor an art. It is a practice." – Peter Drucker

“Entrepreneurship is the purposeful activity of an individual or a group of associated individuals, undertaken to initiate, maintain or organize a profit-oriented business unit for the production or distribution of economic goods and services”. This relates mainly to the small and the

medium sized enterprises, start –ups and self employment. It adds more than 60% to the national income while the contribution of the registered business is almost half of that. The unregistered business develops the Indian economy invisibly. Most of rural and urban people are continuing their family business because of lack of employment opportunities.

2. Review of Literature

Ritwik Saraswat and Ramya Lathabhavan (June 2020) “A study on Women Entrepreneurship in India” said that entrepreneurs play a key role in any economy. The study also induced that, major problems faced by Indian Women entrepreneurs in the world rationally, economically in all spheres. Personal opinions would help women get inspirations to take up entrepreneurship for living. The study conclude that, India needs women to stand up and contribute towards the economy.

A.Sarlin Venotha and Dr. S. Mariadoss (Dec-2022) “ Women Entrepreneurship in India: A literature: A women entrepreneur is any women who arranges and deals with any undertaking as a rule with significant activity and hazard, It conclude that, women entrepreneur face huge problems from financial. Marking, well being, family and different problems perspectives. Government and financial organisation must implement some quantifiable rules for women entrepreneurs including entrepreneurship by women is the way to defect economic challenges.

Dr.G.Jeslin Viola pet and S.Jenitha Rajathy (2022) “ A study on problems and prospects of women entrepreneurs with special reference to Kanniyakumari District” The significant challenges faced by women in starting and running business. These challenges include limited finance, lack of business skills, training, family responsibilities etc. However these challenges create strong desire to success. The study conclude that, impetrative to recognize their efforts and provide them with the necessary support to succeed.

Bhagvan Karnavat and Chirag Rathod (2024) A Study on women Empowerment through Entreprenership Development Program in Gujarat” The findings of the study indicate a strong positive perception among towards Entrepreneurship Development programs. The positive perception of women highlights the tolls, knowledge, and confidence to succeed in entrepreneurship.

3. Objectives of the Study

- To analyze the family background of men and women entrepreneurs.
- To study their literacy level
- To identify their financial assistance
- To identify the problems encountered by them in setting up the business
- To analyze the encouraging and discouraging factors for becoming successful

4. Research Methodology

Research methodology is a systematic way to solve the research problem. In other words, a system of model, procedures and techniques used to find the results of the problem. Hence, the research methodology of the study is as follows:

a) RESEARCH DESIGN

This research plan will include the descriptive and survey research design to observe and concentrate on the underlying problems of the unregistered start-ups. The survey helped us to look at the problem in a comprehensive way including all the survey research methods like in-person and telephonic interviews and online questionnaires.

b) SAMPLE DESIGN

The study has been done with the reference to the unregistered entrepreneurs in Tenkasi district. The selected categories that come under is the study are:

Vegetable vendors, Potters, Tuition teachers, Beauty parlours, Tailors, Beedi makers, Bangle Vendors, Tiffin Centre, Washer men and women, Betel leaf seller, etc.

COLLECTION OF DATA

The sources of data collected have been two ways that is primary data and secondary data. The primary data has been collected through questionnaire method. The secondary data has collected with the help of Journal, Newspaper and Magazine.

LIMITATIONS OF THE STUDY

- The study is confined to the respondents in Tenkasi district only.
- The primary data were collected through interview method which is subjected to recall bias.
- Some of the self-employed people did not want to provide data hence could not support our study.
- Time and money factors have been constraints and the research exercise was conducted within a limited time.

5. Analysis and Interpretation of Data

SOCIO-ECONOMIC PROFILE OF THE RESPONDENTS

Table-1

S.No	Profile	Particulars	No. of respondents	Percentage
1	Age (in years)	Below 25	35	29.17
		25- 35	42	35.00
		35 – 45	25	20.83
		Above 45	18	15.00
2	Marital status	Married	69	57.50
		Unmarried	51	42.50
3	Qualification	Primary Education	39	32.50
		Secondary Education	45	37.50
		Diploma in any field	27	22.50
		Degree in any field	9	7.50
4	Monthly income (Rs)	Below Rs.2500	32	26.67
		Rs.2500- Rs.5000	49	40.83
		Rs.5000- Rs.7500	29	24.17
		Above Rs.7500	10	8.33
6	Family Background of Entrepreneur	Agriculture	30	25.00
		Service	41	34.17
		Business	33	27.50
		Other	16	13.33
	Total		120	100

It is found that, out of 120 respondents 35% of the respondents are in the age group of 25-35 years, 57.50% of the respondents are married 37.50 % of the respondents are completed secondary education, 40.83 % of the respondents earned monthly income of Rs. 2500 to Rs.5000, 34.17 % of the respondents are service oriented family background

TABLE-2 FINANCIAL ASSISTANCE BY ENTREPRENEURS

S.No	Profile	Particulars	No. of respondents	Percentage
1	Support from Family	Not at all	30	25.00
		Some What	42	35.00
		Moderate	22	18.33
		Very much	26	21.67
2	Financial Source to start the business	Loan from bank and financial assistance	37	30.83
		Previous savings	49	40.83

		Help from family friends & family	29	24.17
		Not required	5	4.17
3	Source of Motivation	Family Needs	24	20.00
		Friends Advice	39	32.50
		Societal Needs	21	17.50
		Others	36	30.00
	Total		120	100

It is inferred that, 35% of the respondents families are support strongly for their business, 40.83% of the respondents are start their business with support of personal savings money, 32.50% of the respondents are getting motivation from their friends.

TABLE-3 PROBLEMS FACED BY ENTREPRENEURS

S.No	Profile	Particulars	No. of respondents	Percentage
1	Problems faced by starting the business	Financial Problems	35	29.17
		Family & Social obstacles	49	40.83
		Lack of experience	20	16.67
		No Problem	16	13.33
2	Most Prominent problem faced due to area of Business	Transportation	21	17.50
		Customer Trust & Satisfaction	41	34.17
		Time Management	19	15.83
		Seasonal Problems	39	32.50
3	Type of condition to start Business	Family Problems	40	33.33
		Financial condition	23	19.17
		Personal Ambitions	57	47.50
4.	Influence of problems on personal life	Strongly Agree	36	30.00
		Agree	40	33.33
		Dis Agree	26	21.67
		Strongly disagree	18	15.00
5.	Government scheme for Startup	Yes	31	25.83
		No	89	74.17
	Total		120	100

It is explained that, out of 120 respondents 40.83% of the respondents faced the problems about not support their family, 34.17% of the respondents are faced customer Trust and satisfaction problems, 47.50% of the respondents are start their business with personal ambitions, 33.33% of the respondents are agreed to faced influence of problems on personal life.

TABLE -4 DISTRIBUTION ON PROFILE OF RESPONDENTS AND PROBLEMS FACED TO STARTING BUSINESS- CORRELATION

S.No	Correlation	Pearson	Spearman rho
1	Profile	0.397	0.429
	Financial Problems	0.316	0.397
2	Profile	0.269	0.105
	Family Problems	0.562	0.666
3	Profile	0.538	0.503
	Lack of experience	0.371	0.054
4	Profile	0.172	0.198
	No Problems	0.876	0.670

Source: Computed data

Pearson chi-square results of .000 which is lesser than the table value of .05 indicated that there is a significant relationship between profile of the respondents and problems faced by unregistered entrepreneurs.

TABLE-5 CHI-SQUARE TEST RESULTS BETWEEN THE FAMILY BACK GROUND AND PROBLEMS FACING UNRIGISTER ENTREPRENEUR

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	35.645[a]	4	0.000
Likelihood Ratio	12.992	4	0.0
Linear-by-Linear Association	0.01	1	0.919
N of Valid Cases	119		
a. 5 cells (35.645%) have expected count less than 5.			

Source: Computed data

Pearson chi-square results of .000 which is lesser than the table value of .05 indicated that there is a significant relationship between the family background and problems facing unregister entrepreneur.

6. Findings

From the above information we have conclude certain findings:

- Most of the owners of unregistered business are secondary education.
- Majority of them have family problem as the major problem for doing their business.
- Customer Trust and satisfaction is also an important obstacle in doing the business.
- Most of the persons have started their businesses because of financial conditions and family problems and also agree that these conditions affect their personal life.

- Majority of them has been into the business to give a good life to their family.
- And most of all majorities of them had no information on government schemes for start-ups and have lack of awareness on the various facilities provided by the government.

7. Suggestions

- Awareness should be created among the lower sections of the society so that they can come to know about the various government facilities and policies for not only registering the business but also taking of benefits provided for this sector.
- It is the major responsibility of the upper sections of the society who are into registered and developed businesses and services to help and support and create awareness in the society and hence work for nation's pride.
- Special on door training should be given to the female section of the society so that they do not have to travel to learn various aspects of business

8. Conclusion

Majority of the self-employed people with unregistered businesses have lack of awareness on various government policies and facilities for start-ups because most of the respondents where illiterate and overburdened with family and business responsibilities and hence could not manage to spare time to collect information on the government schemes and policies. Revenue from these business forms a major part of the national income and hence if supported and channelized can help the nation. People who have set up small-scale industries after registering their small-scale businesses and taking up the advantages of government schemes and policies have even led to export their products in the international markets and helping the nation and society with the revenue. It helps a lot more people to join in the businesses and hence helping to solve the problem of unemployment of the rural and backward area. Our small effort of spreading the awareness will also help the effective implementation of each and every scheme that the government is providing and finally helping the firms to improve their performances.

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