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PERFORMANCE EVALUATION OF ENTREPRENEURS IN TIRUNELVELI DISTRICT – TAMIL NADU

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Abstract

This study proposes to attempt an objective evaluation of the performance of entrepreneurs in Tirunelveli District. Such an effort shall be useful and necessary to remove the grey areas and generate a more congenial environment for the entrepreneurs to function and excel. Thus, this study becomes relevant and rewarding in terms of research. The objectives of the study are to study the profile of entrepreneurs in Tirunelveli district, evaluate non-financial performance of the entrepreneurs and identify the factors influencing entrepreneurs under study. This study has utilized both primary and secondary data. Primary and Secondary data: Interview and secondary sources were referred in this study method. It is found that 'Role model' is the important factors influencing entrepreneur's performance among entrepreneurs having mean score of 4.30 and 'Employment' is the next important factors influencing entrepreneur's performance among entrepreneurs having mean score of 4.20 and 'Entrepreneurial Experience' has been ranked at the lowest among the entrepreneurs with the mean score of 3.50.

Keywords: *Performance, Entrepreneurs and non-financial performance*

Introduction

Today India's economy is poised for a flourishing entrepreneurial activity. It is also known that a healthy business environment is an essential requirement of entrepreneurial growth. Since a high quality entrepreneurial skill tends to attain industrial growth, talent must come from within the environment for rapid and sustained growth of the economy.

A country may be rich in material resources and capital. But if entrepreneurship is lacking, the utilization of resources would not be as expected. The entrepreneurs are a part of industrial society and as such, he/she should be considered as an asset. The entrepreneur is responsible for not only earning his/her own livelihood but also for creating avenues of employment for others and contributing to the gross national product.

Statement of the Problem

Tirunelveli district has been a leading and pioneering revenue unit in Tamil Nadu. This district has been endowed with plenty of both natural and human resources which are highly productive. The right type of

entrepreneurs could find an enlarged and rewarding scope for their ventures in Tirunelveli district. Though industries are coming up in good number here, the unexplored resources and promising potentials are considerable and deserving. A good number of entrepreneurs – male and female; small and big – has already emerged and been in productive ventures. Some function with their own capital and many depend on banks or the District Industrial Centre (DIC) or certain private agencies for capital. Entrepreneurs make resources provided by Central government and State government at the maximum for the betterment of economic development. This study proposes to attempt an objective evaluation of the performance of entrepreneurs in Tirunelveli District. Such an effort shall be useful and necessary to remove the grey areas and generate a more congenial environment for the entrepreneurs to function and excel. Thus, this study becomes relevant and rewarding in terms of research.

Scope of the Study

The entrepreneurs selected for study are based on the conditions that they have started their career either as low level employees of some organisations or started their venture with their own meager investments. They are their own masters, in the sense that they did not have back up from their family members either in the form of financial support or inheritance of family wealth. They started their own enterprise with a humble beginning, and slowly and steadily picked up their business purely due to their entrepreneurship qualities. They faced hardships in course of their growth, but never gave up. The ingenuity and the spirit of entrepreneurship always kept up their hopes and confidence and eventually proved to be successful entrepreneurs.

Objectives of the Study

- To study the profile of entrepreneurs in Tirunelveli district.
- To evaluate non-financial performance of the respondents in the study area.
- To identify the factors influencing entrepreneurs under study.

Methodology

This study has utilized both primary and secondary data. Primary and Secondary data: Interview and secondary sources were referred in this study method. Out of the available entrepreneurs in Tirunelveli, a few successful entrepreneurs, who had their investment options from their own sources, were considered for this study. Based on the hypothesis proposed as above, a sample of successful entrepreneurs (614) is carefully selected for the study by adopting Stratified Random Sampling method. The steps followed by the researcher for methodology are as follows;

- Selection of the sample
- Formation of the questionnaire
- Collection of data
- Consolidation of data
- Analysis of data

Limitations of the Study

- Due to time constraint, the researcher could not undertake extensive journeys for data collection.
- The study is confined to the respondents (entrepreneurs) of Tirunelveli district only.
- Performance evaluations are measured on two basis financial measurement and non-financial measurement, the researcher has taken only the non-financial measurements of performance evaluation for the study.

Data Analysis and Interpretation

Table 1: Age wise distribution of respondents

Sl. No	Particulars	No. of respondents	Percentage
1.	Below 25 years	68	11
2.	26- 35 year	105	17
3.	36-45 years	120	20
4.	45 years & above	321	52
	Total	614	100

Source: Primary Data

The table above indicates that 52% of the respondents are 45 and above of age, 20% are between 36-45 years of age, 17% 26- 35years and 11% below 25years. These findings deduce that most of the entrepreneurs are of the age category 45 and above which shows that they have been entrepreneurs for long period of time. It was evident from the study that the age of the respondents affected the business performance. There is a common thought that entrepreneurs at the youthful age could perform their activities aggressively leading to high performance adopting to the technological changes and updating current status.

Table 2: Gender wise distribution of respondents

Sl.No	Particulars	No. of respondents	Percentage
1.	Male	582	95
2.	Female	32	5
	Total	614	100

Source: Primary Data

It is quite clear that out of the total respondents investigated for this study, overwhelming majority (95 per cent) of them were males whereas about 5 per cent were

found to be females. In a Indian social conditions the households are normally headed by the males and head of the household was the unit for data collection, from the given sample very few households are headed by the females and that too, due to various unavoidable and unique conditions and not because of any attitudinal change hence large number of respondents are males by gender in this study.

Table 3: Locality wise distribution of respondents

Sl.No	Particulars	No. of respondents	Percentage
1.	Rural	505	82
2.	Semi-urban	89	14
3.	Urban	20	4
	Total	614	100

Source: Primary Data

In the table above respondents refers to the location of the industry area it is evident that majority of the respondents 82% fall under the category rural area, 14% semi-urban and only 4% urban. The study has also given a clear picture that large scale industries are not only located in urban but also in rural and semi-urban area and similarly for small scale industries also.

Table 4: Marital Status wise distribution of respondents

Sl.No	Particulars	No. of respondents	Percentage
1.	Married	536	87
2.	Unmarried	78	13
	Total	614	100

Source: Primary Data

The study indicates that 87% of the respondents were married while 13% were unmarried, it was found that entrepreneurs who were married, had more responsibility and majority were male member so they had the burden to take up their family business run by his father, start business to run his family some female entrepreneurs who were married were forced to run the business after the death of her husband, some had got the business after partition of property, and a few out of interest and to support her husband to earn profit. Unmarried respondents were wholly male respondents who entered into their own business after dropout from

school and college and a few had taken up their family business.

Table 5: Work experience wise distribution of respondents

Sl. No	Particulars	No. of respondents	Percentage
1.	Below 10 years	31	5
2.	11-20 years	46	7
3.	21- 30 years	100	16
4.	Above 30 years	437	72
	Total	614	100

Source: Primary Data

From the table above it is clear that majority of the respondents 72% have above 30 years of experience followed by 16% 21-30 years, 7% 11-20 years and only 5% below 10 years. It was found that the entrepreneurs having below 10 years of experience were the respondents, who have started their own business after dropout from schools and colleges, who have taken up their family business after their father, the respondents having experience above 30 yrs are the respondents running business for long years.

Table 6: Non-Financial performance indicators

Sl. No	Indicators	Yes	No	Mean score	Rank
1.	Innovation	604	10	1.9	3
2.	Management capabilities	614	0	2.0	1
3.	Employee relation / satisfaction	442	172	1.7	8
4.	Quality and brand value	311	303	1.5	11
5.	Intellectual capital	178	436	1.3	13
6.	Customer loyalty/Satisfaction	503	108	1.8	7
7.	Sustained Profitability	407	207	1.6	10
8.	Competitive strength	614	0	2.0	2
9.	Long term strategic goals	199	415	1.3	12
10.	Operational performance	516	98	1.8	6
11.	Suppliers	497	117	1.8	5
12.	Public relation(image)	596	18	1.9	4
13.	Financial institutions dealings	360	254	1.6	9

Source: Primary Data

The table above shows that 'Management capabilities' is the important non-financial performance indicator having mean score of 2.00 and 'Competitive strength' is the next important non-financial performance

indicator having mean score of 2.00 and 'Intellectual capital' has been ranked at the lowest among the entrepreneurs with the mean score of 1.30.

Table 7: Factors influencing entrepreneur's performance

Sl.No	Motivating factors	HI	I	M	NI	LI	Mean score	Rank
1.	Earn money	94	325	96	70	29	3.6	15
2.	Economic Independence	166	268	51	90	39	3.7	13
3.	Social status	135	270	92	81	36	3.6	16
4.	Self-identity	152	258	95	75	34	3.7	14
5.	Family necessity	122	266	94	102	30	3.6	19
6.	Role model	210	404	0	0	0	4.3	1
7.	Employment	172	399	32	9	2	4.2	2
8.	Challenge seeking	143	387	61	20	3	4.1	4
9.	Financial assistance	167	272	49	86	40	3.7	12
10.	Entrepreneurial Experience	104	262	123	94	31	3.5	20
11.	Traditional / Hereditary	113	302	96	68	35	3.6	17
12.	Urge to achieve	126	372	47	65	4	3.9	7
13.	Revival of sick unit	123	347	75	59	10	3.8	9
14.	Market potential	153	384	34	41	2	4.1	5
15.	More dependents in Family	43	377	131	63	0	3.7	10
16.	Aspiration about the Children	164	252	55	129	14	3.7	11
17.	Technical knowledge	139	274	68	100	33	3.6	18
18.	Use of idle funds	162	405	29	16	2	4.2	3
19.	Organizational skills	133	316	132	31	2	3.9	8
20.	Encouragement of family members	192	319	74	27	2	4.1	6

Source: Primary Data

The table above shows that 'Role model' is the important factors influencing entrepreneur's performance among entrepreneurs having mean score of 4.30 and 'Employment' is the next important factors influencing entrepreneur's performance among entrepreneurs having mean score of 4.20 and 'Entrepreneurial Experience' has been ranked at the lowest among the entrepreneurs with the mean score of 3.50.

Determinants of Non-Financial Performance of Entrepreneurs

In Tirunelveli District, there are six independent variables determine non-financial performance of entrepreneurs. The relationship between the independent variables such as age, gender, educational qualification, locality, marital status and work experience and

dependent variable non-financial performance among entrepreneurs of Tirunelveli District has been tested through multiple regression analysis. The results are presented in Table 8.

Table 8: Determinants of Non-Financial Performance of Entrepreneurs

Particulars	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	25.334	3.178		7.973	.000
Age	.486	.452	.098	1.074	.283
Gender	4.016	1.320	.178	3.042	.002
Education qualification	1.199	.409	.154	2.929	.004
Locality	1.872	.545	.178	3.435	.001
Marital status	1.707	.884	.106	1.932	.054
Work experience	.989	.654	.148	1.511	.131

Source: Primary Data

Table 9: Role of Determinants of Non-Financial Performance of Entrepreneurs

R	R square	Adjusted R square	Std error of the estimate
.835 ^a	.679	.663	19.5269

The table 9 shows the relationship between independent variables with non-financial performance of entrepreneurs. The influence of the independent variables over dependent variable is 67.9 per cent. The results of the multiple regression co-efficient are presented in equation as,

$$Y = 25.334 + .098b_1 + .178b_2 + .154b_3 + .178b_4 + .106b_5 + .148b_6$$

Where,

b_0 =Constant, b_1 -Age, b_2 -Gender, b_3 -Educational Qualification, b_4 -Locality, b_5 -Marital Status, b_6 -Work Experience. Y= Multiple regression co-efficient.

While analyzing the multiple regression equation with standardized co-efficient, it is clear that the variables gender and locality had the higher level influence over the other. It indicates that one unit of change in this variable makes a change of 0.178 units on the dependent variable i.e non-financial performance. The other variables having significant impact on dependent variable are educational qualification (0.154 units) and work experience (0.148 units).

Suggestions

- Small business started without proper planning have more chances of failure than those that have proper planning strategies.
- Most of the entrepreneurs are sole traders who don't have all skills which are required to maintain the business unit and for which they need training. The Government should identify such persons and provide training facilities.
- The infrastructural facilities are very less. The government should concentrate to develop such facilities to MSME entrepreneurs through establishing further centers in rural areas.
- Many entrepreneurs suffer due to finance problem. Banks and other financial institutions should come

forward and provide liberal finances on time especially in purchasing of raw materials etc.,

- National Small Industries Corporation [NSIC] has to procure the large orders and distribute them to MSMEs to create marketing facilities.
- Extended financial assistance for location shift of affected units in addition to the provision of infrastructural facilities to enable MSMEs to confirm the environment cleanliness.

Conclusion

The entrepreneurs are facing a plethora of problems in the functional areas of production, finance, marketing and other related areas of management. Their contribution to industrial development is unique and note worthy. It is high time to explore new strategies and programmes to promote entrepreneurship in the country. In the current scenario for the SSI sector to achieve economic efficiency and international quality standards, there is an imminent need to upgrade its technology. While the setting up of the technology bank, as announced in the comprehensive policy package for MSMEs would facilitate technology transfer and match making, creation of a separate Small Industries Development Fund at the earliest would meet the much needed financial requirements of the sector for mass scale technology upgradation. The suggested fund would also provide access of resources for infrastructure, marketing development and other similar requirements of the sector. These measures are expected to help in accelerating the pace of growth of the sector. The process of liberalization and globalization has necessitated technological upgradation and the building of appropriate marketing and other related infrastructure.

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