

Social Factors Influencing Entrepreneurship A Study On With Special Reference To Theni District

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ABSTRACT

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Entrepreneurship is not an inborn skill; it is a product of environment. It involves a complex of economic and social behaviour. To be successful, an entrepreneur has to remain dynamic and responsible to the whole environment. Entrepreneurship can hardly survive under any given circumstances. It can flourish only under right environment. The social factors, culture, government policies, political system, technology, economic conditions, laws, etc influence the growth of entrepreneurship. In fact, the entrepreneurship cannot be kept aloof from the changing social values, ideologies, new emerging aspirations, environmental pressures, religious beliefs, consumer wants, and society needs. Business is a system made up of certain environmental factors which require the entrepreneurs to adopt a dynamic attitude and a new strategy of their own. The paper is tackling the issue of social factors such as Gender, age, caste, Location of the units, Income, educational level, influencing the development of entrepreneurship in Theni District.

Keywords : Entrepreneurship, social factors, culture, government policies, political system, technology, economic conditions, laws, growth of entrepreneurship.

I. INTRODUCTION

The entrepreneurial activity at any time is dependent upon a complex and varying combination of socio economic, psychological and other factors. The various environmental factors exercise a strong influence on the personality or personal background of the entrepreneurs. Therefore, any attempt to understand the entrepreneurial spirit among people

should include an examination of the socio-economic origins of the entrepreneurs. The process of interaction and an adaption between the individual and his environment goes on continuously. In a developing country like India, a favourable socio-economic environment could help in exploiting the latent entrepreneurial talents. However, the unfavourable conditions often hinder the emergence of such entrepreneurial talents. Despite these

situational constraints, today more and more people are entering the field of entrepreneurship in India. The entrepreneurial behaviour and enterprise management among the people are supported and sustained by the growth of enterprise involvement by the social and environmental factors among the respondents. Such information is expected to provide a mechanism to identify the people who have the potential and to plan appropriate training programmes to develop their potential further.

1.1 OBJECTIVE OF THE STUDY

The study was undertaken with the following objective

- 1) To analyse the social factors influencing entrepreneurship in Theni District.
- 2) To study the factors affecting entrepreneurship.

1.2 METHODOLOGY

Research methodology is an important aspect of any research work. It helps the researcher to organize and streamlines the work. To accomplish the objectives of study the researcher had to depend on following.

Primary Data

Primary data are those which are being collected originally by the researcher for the purpose of our study. Primary data used for this study were collected by distributing the structured questionnaire to the selected Entrepreneurs and personal interviews.

Secondary data

Secondary data were collected from various Entrepreneurship books, journal, trade magazines, daily newspapers, Entrepreneurs related varies textbooks, government records, websites.

1.3 SAMPLING DESIGN

Convenience sampling method has been used. Because the selection of respondents from the population has been selected based on easily available and accessibility.

1.4 SAMPLE SIZE:

The primary data for the study had been collected from 100 respondents belonging to different level.

1.5 TOOLS FOR ANALYSIS:

After collecting the primary data, the field collected information for edited properly. A master table was prepared to consolidate information contained in the collection of data. The data have been analysed by using Simple Percentage with table, Weighted Average, Chi – square test. Friedman test

(a) Percentage Analysis

Percentage analysis is a simple tool used by all. It is used to given the clear-cut information about the analysis.

Percentage = Individual of respondents / Total number of respondents X 100

(b) Weighted average method

Weighted Average Method is used to rank the sources of information. Five-point rating scale is used and each scale has been given a score according to the importance starting from 5 to 1.

$$\text{Weighted Average} = X^w = \frac{\sum WX}{\sum W}$$

Where X^w = Weighted Arithmetic mean

W = The weightage attached to variables X = The Variable Value

(c) Chi – Square test

Chi-square test is a non- parametric test used for comparing a sample Variance to a theoretical population variance. When the cell frequency is more the five the Chi-square test is applied.

$$x^2 = \sum (O-E)^2/E$$

O = Observed Frequency

E = Expected Frequency

E = Row total X Column total

Grand Total

$$\mu = (c-1) (r-1)$$

μ = Degrees of freedom

When the calculated value is less than the table value the null hypothesis is accepted.

1.6 PERIOD OF STUDY:

The primary data were collected in the academic period in 2019-2020.

II. METHODS AND MATERIAL

In a developing country like India, a favourable socio-economic environment could help in exploiting the latent entrepreneurial talents. However, the unfavourable conditions often hinder the emergence of such entrepreneurial talents. Despite these situational constraints, today more and more people

are entering the field of entrepreneurship in India. The entrepreneurial behaviour and enterprise management among the people are supported and sustained by the growth of enterprise involvement by the demographic and environmental factors among the respondents. Such information is expected to provide a mechanism to identify the people who have the potential and to plan appropriate training programmes to develop their potential further. Hence, the present part of the study focuses on revealing the profile of the respondents. This chapter deals with the analysis of the social status of the selected entrepreneurs and the problems faced by them.

2.1 SOCIAL ECONOMIC CONDITIONS

Social status of the entrepreneurs depends upon their personal character and environment in which they live. The independent social variables such as Gender, age, caste, location of the unit, Income, educational level, were chosen for analysis. Data were collected from the respondents with respect to these factors and the information is presented in the following paragraphs.

2.2 SIMPLE PERCENTAGE

Demographics	Variables	Frequency	Percentage
Gender	Male	46	46
	Female	54	54
Age	Up to 35	29	29
	35-60	43	43
	60 and Above	28	28
Caste	Forward	30	30
	Backward	43	43
	SC / ST	27	27
Location of the Unit	Rural area	65	65
	Urban area	35	35
	Up to 10,000	26	26

Income	10,000 – 50,000	21	21
	50,000 – 1,00,000	34	34
	1,00,000 & above	19	19
Educational Level	Higher with D.TED	12	12
	Graduate with B. ED	12	12
	Post graduate B. ED	20	20
	M.PHIL with B. ED	56	56

- 1) The results show that about 46 per cent of the respondents are male 54 per cent are female
- 2) Majority of 43 per cent of the entrepreneurs are less than 60 years and more than 35 years of age and those who are up to 35 years amounted to 29 per cent. The age 60 and above years are having 28 per cent of entrepreneurs belong to above 60.
- 3) The study reveals that the majority of the entrepreneurs, that is 43%, were in backward category, 30 % of them were in forward category, only remaining 27% of the entrepreneurs belonged to SC / ST category.
- 4) It is found that majority of the entrepreneurs that is 65 per cent were from rural area and 35 percent of them were from urban area.
- 5) Majority of 34 percent entrepreneurs were in the “50000” – 100000” category followed by 26 percent entrepreneurs in the annual income “up to 10000” 21 percent were in the “10000 – 50000” category followed by 19 percent were in the 100000 & above annual income category.
- 6) 12 percent of the entrepreneurs were higher secondary with D.TED, 12 percentages of the

entrepreneurs were Graduate with B. ED, 20 percentages of the entrepreneurs were post graduate with B. ED, and 56 percentages of the entrepreneurs were M. PHIL with B.ED.

The researchers have framed the null hypotheses to understand the association between Entrepreneurship and demographic profile of the respondents.

HO: There is no significant relationship between gender and the level satisfaction of entrepreneurs.

HO: There is no significant relationship between Age and the level of satisfaction of entrepreneurs.

HO: There is no significant relationship between caste and the level of satisfaction of entrepreneurs.

HO: There is no significant relationship between Location of the units and the level of satisfaction of entrepreneurs.

HO: There is no significant relationship between income and the level of satisfaction of entrepreneurs.

HO: There is no significant relationship between educational level and the level of satisfaction of entrepreneurs.

TABLE – 1 Distribution of Respondents by Form of Business Ownership

S. No	Parameters	Highly aware (4)	Aware (3)	Not aware (2)	Utilization (1)	Weighted Averages	Rank
1	Sole proprietorship	11	44	26	19	24.7	III
		44	132	52	19		

2	Partnership	44	37	15	04	32.1	I
		176	111	30	04		
3	Company	15	26	18	41	21.5	V
		60	78	36	41		
4	Cooperative Society	19	28	16	37	22.9	IV
		76	84	32	37		
5	State Enterprise	30	20	35	15	26.5	II
		120	60	70	15		

Source: primary Data

Table1, shows that Partnership has been ranked as first by the entrepreneurs among the five form of

business ownership. It is also been found that State Enterprise has ranked as second. Sole proprietorship and Cooperative Society have been ranked as third and fourth respectively. Company was the fifth rank.

TABLE – 2 Factors Affecting Entrepreneurship

S. No	Parameters	Highly satisfied (5)	Satisfied (4)	Average (3)	Dissatisfied (2)	Highly Dissatisfied (1)	Weighted Averages	Rank
1	Aspiration and Attitude	33	28	18	12	09	36.4	III
		165	112	54	24	09		
2	Personal Factors	30	25	15	18	12	34.3	VI
		150	100	45	36	12		
3	Family Circumstances	45	38	10	04	03	41.8	I
		225	152	30	08	03		
4	Government policies, Facilities, and Incentives	31	20	16	18	15	33.4	VIII
		155	80	48	36	15		
5	Social and Cultural Factors	28	26	19	17	10	34.5	V
		140	104	57	34	10		
6	Progeny and Traditions	19	38	17	18	08	34.2	VII
		95	152	51	36	08		
7	Business Competition	44	35	13	03	05	41	II
		220	140	39	06	05		
8	Economic and Business Environment	26	19	14	21	20	31	IX
		130	76	42	42	20		
9	Support System	16	19	14	29	22	27.8	X
		80	76	42	58	22		

10	Attitude of Big Entrepreneurs	26	31	16	17	10	34.6	IV
		130	124	48	34	10		
11	Entrepreneurship Oriented Education and Training	13	16	19	21	31	25.9	XI
		65	64	57	42	31		
12	Role of Banks and Financial Institutions	10	12	15	26	37	23.2	XII
		50	48	45	52	37		

Source: Primary Data

Table 2, shows that Family Circumstances has been ranked as first by the entrepreneurs among the towel factors affecting entrepreneurship. It is also been found that Business Competition and Aspiration and Attitude have been ranked as second and third respectively. Attitude of Big Entrepreneurs and Social and Cultural Factors have been ranked as fourth and fifth respectively. Personal Factors and Progeny and Traditions have been ranked as sixth and seventh respectively. Government policies, Facilities, and Incentives and Economic and Business Environment have been ranked as eighth and ninth respectively. Support System and Entrepreneurship Oriented Education and Training have been ranked as tenth and eleventh respectively. Role of Banks and Financial Institutions was the twelveth rank.

III. CHI-SQUARE TEST

A) Gender of the Respondents

$$\chi^2 = \sum O - E^2 / E = 4.682629$$

$$\text{Degree of freedom } V = (r - 1) (c - 1)$$

$$= (2 - 1) (3 - 1) = 2$$

$$\chi^2_{0.05} = 5.99$$

Since the calculated value of χ^2 is less than the table value the hypothesis has been accepted. Therefore, it

is concluded that there is significant relationship between Gender and the level of respondents.

O	E	O-E	(O-E) ²	(O-E) ² /E	
14	10.12	3.88	15.0544	1.487589	
8	11.88	-3.88	15.0544	1.267205	
20	24.84	-4.84	23.4256	0.94306	
34	29.16	4.84	23.4256	0.803347	
10	11.04	-1.04	1.0816	0.097971	
14	12.96	1.04	1.0816	0.083457	
				χ^2	4.682629

B) Age wise classification the Respondents

$$\chi^2 = \sum (O-E) ^2 / E = 0.621102$$

$$\text{Degree of freedom } v = (r-1) (c-1)$$

$$= (3-1) (3-1) = 4$$

$$\chi^2_{0.05} = 9.49$$

Since the calculated value of χ^2 is less than the table value the hypothesis has been accepted. Therefore, it is concluded that there is significant relationship between age and the level of respondents.

O	E	O-E	(O-E) ²	(O-E) ² /E
7	6.38	0.62	0.3844	0.060251
16	15.66	0.34	0.1156	0.007382
6	6.96	-0.96	0.9216	0.132414
10	9.46	0.54	0.2916	0.030825
22	23.22	-1.22	1.4884	0.0641
11	10.32	0.68	0.4624	0.044806
5	6.16	-1.16	1.3456	0.218442
16	15.12	0.88	0.7744	0.051217
7	6.72	0.28	0.0784	0.011667
			χ^2	0.621102

$$= (2-1) (3-1) = 2$$

$$\chi^2_{0.05} = 5.99$$

Since the calculated value of χ^2 is less than the table value the hypothesis has been accepted. Therefore, it is concluded that there is significant relationship between Location of the units and the level of respondents.

C) Caste wise classification the Respondents

$$\chi^2 = \sum (O-E)^2/E = 1.457889$$

$$\text{Degree of freedom } v = (r-1) (c-1)$$

$$= (3-1) (3-1) = 4$$

$$\chi^2_{0.05} = 9.49$$

Since the calculated value of χ^2 is less than the table value the hypothesis has been accepted. Therefore, it is concluded that there is significant relationship between caste and the level of respondents.

O	E	O-E	(O-E) ²	(O-E) ² /E
14	14.3	-0.3	0.09	0.006294
36	35.1	0.9	0.81	0.023077
15	15.6	-0.6	0.36	0.023077
8	7.7	0.3	0.09	0.011688
18	18.9	-0.9	0.81	0.042857
9	8.4	0.6	0.36	0.042857
			χ^2	0.14985

E) Income of the Respondents:

$$X^2 = (O-E)^2/E = 7.887692$$

$$\text{Degree of freedom } V = (r-1) (c-1)$$

$$= (4-1) (3-1) = 6$$

Table value at χ^2 confined level = 12.6

Since the calculated value of χ^2 is less than the table value the hypothesis has been accepted. Therefore, it is concluded that there is significant relationship between Income and the level of respondents.

O	E	O-E	(O-E) ²	(O-E) ² /E
8	6.6	1.4	1.96	0.29697
14	16.2	-2.2	4.84	0.298765
8	7.2	0.8	0.64	0.088889
8	9.46	-1.46	2.1316	0.225328
24	23.22	0.78	0.6084	0.026202
11	10.32	0.68	0.4624	0.044806
6	5.94	0.06	0.0036	0.000606
16	14.58	1.42	2.0164	0.138299
5	6.48	-1.48	2.1904	0.338025
			χ^2	1.457889

D) Location of the Unit

$$\chi^2 = \sum O - E^2 / E = 0.14985$$

$$\text{Degree of freedom } V = (r-1) (c-1)$$

O	E	O-E	(O-E) ²	(O-E) ² /E
6	5.72	0.28	0.0784	0.013706
14	14.04	-0.04	0.0016	0.000114
6	6.24	-0.24	0.0576	0.009231
5	4.62	0.38	0.1444	0.031255
8	11.34	-3.34	11.1556	0.983739
8	5.04	2.96	8.7616	0.738413
5	7.48	-2.48	6.1504	1.822246
24	18.36	5.64	31.8096	1.732549
5	8.16	-3.16	9.9856	1.223725
6	4.18	1.82	3.3124	0.79244
8	10.26	-2.26	5.1076	0.497817
5	4.56	0.44	0.1936	0.042456
			χ^2	7.887692

F) Education level of the Respondents:

$$X^2 = (O-E)^2/E = 11.51$$

$$\text{Degree of freedom } V = (r-1) (c-1)$$

$$= (5-1) (3-1) = 8$$

Table value at χ^2 confined level = 12.6

Since the calculated value of χ^2 is less than the table value the hypothesis has been accepted. Therefore, it is concluded that there is significant relationship between Education and the level of respondents.

O	E	O-E	(O-E) ²	(O-E) ² /E
4	4.9	-0.9	0.81	0.165
2	5.6	-3.6	12.96	2.314
9	8.05	0.95	0.90	0.112
18	14	4	16	1.143
2	2.24	-0.45	0.20	0.083
6	6.72	-0.72	0.52	0.08
10	5.6	4.4	19.36	3.46
10	11.04	-1.04	1.08	0.010
18	19.2	-1.2	1.44	0.08
4	3.36	0.64	0.41	0.122
4	2.38	1.62	2.62	1.10
4	2.72	1.28	1.64	0.60
2	3.91	0.09	8.1	2.07
9	6.8	-2.8	7.84	1.15
18	1.19	-0.19	0.0361	0.030
			χ^2	11.51

IV.FINDINGS

- Most of the entrepreneurs entered enterprises at the age of 35 – 60 years.
- Nearly 54 % of the entrepreneurs were female
- Three fourth of the entrepreneurs were either M. PHIL with B. ED or Post graduate

B. ED Qualified.

- About 43% entrepreneurs belonged to backward caste.
- More than 65% of the entrepreneurs were from rural area.

V. CONCLUSION

From the foregoing discussion it is vivid that entrepreneurship is not influenced by a single factor but is the outcome of the interaction and combination of various social factors. Encouraging governmental policy and social recognition influence a person to become an entrepreneur. Our educational

system should be modified so as to produce more job creators rather than job seekers.

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