



An Analytical Study on Opportunities and Challenges faced by Entrepreneurs: With Special Reference to Haryana

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Abstract: *Entrepreneurship is a powerful tool for economic growth, social change, and the empowerment of individuals, including women and marginalized communities. The aim of this paper is to identify opportunities and challenges faced by entrepreneurs in Haryana. In the present study analytical research design has been used. In this study primary data has been collected from 157 entrepreneurs through structured questionnaire out of which 25% of women entrepreneurs are included. Factor analysis has been used to get the justifying results of opportunities and challenges of entrepreneurs in Haryana. It has been found that major challenges faced by entrepreneurs of Haryana state are lack of knowledge, motivation and funds, lack of support from banks and families, lack of awareness about government assistance, inadequate marketing facilities/skills, unavailability of skilled workers and unavailability of securities and stiff competition. In case of opportunities of entrepreneurship and women entrepreneurs in Haryana state are tax exemption, loans and adequate training, financial support and relaxation in micro finance schemes. Based on the study, it has been suggested to organize awareness programmes at the schools and colleges by government agencies and regulatory authorities to educate the young blood about various opportunities they can avail to start their business rather than searching for the job, so as to make them job creators not the job seekers.*

Key Words: *Government Assistance, Financial Assistance, Skilled workers, Stiff competition.*

1. INTRODUCTION

Entrepreneurship is a dynamic force. Development does not occur naturally when economic conditions are in favor; a force is needed to use them. Entrepreneurs have ability to perceive opportunities which other does not have (Sayigah, 1962). Entrepreneurship is taken as a driver of economic development and also included as fourth production factor in macroeconomics of production function. Entrepreneurship helps in economic development. One of the main improvements in economic development is to increase standard of living and growth of the economy as whole (Barro, 1991). Entrepreneurship is taken as a driver of economic development and also included as fourth production factor in macroeconomics of production function (Audretsch and Keiibach, 2004). Now days, entrepreneurs experiment new things in order to progress, which one will improve economic life (Rosenberg and Birdzell, 1986).

2. LITERATURE REVIEW

Punitha et al (1999) examined the problems and constraints faced by women entrepreneurs in the Pondicherry region. A sample of 120 females enterprises were personally interviewed during the period June to July 1999 out of which 42 belonged to rural and 78 to urban areas. The major problems faced by rural women entrepreneurs are competition from better quality products and marketing problems. The problems for urban entrepreneurs are, apart from the competition from better quality products, are the difficulty in getting loans. The least problems faced by both rural and urban women entrepreneurs are ignorance about schemes, distance from market and ignorance about agency and institutions. **Micheline and Leo (2000)** analyzed the individual choice for self-employment and entrepreneurial success. They



observed that entrepreneurial activity is found to be successfully undertaken by individuals who succeeded in increasing their entrepreneurial abilities and reducing the risk of starting businesses through a learning process that takes place through professional experience and apprenticeship or alternatively formal education. The learning processes takes place both before and after entry into the industry, as firm grow into a large size. However, financial constraints continue to play a major restraining role for entrepreneurship and firm growth. **Ahl and Marlow (2012)** argued that there exists an occluded gender bias within the entrepreneurship discourse. This is contrary to the neo-liberal views on entrepreneurship that propose only personal efforts as determinants of reward and status. The study highlights that even though there have been calls to use feminist theories as analytical frames, there are scant evidences of such applications. The study argued that there are gendered assumptions that limit epistemological scope of research in this area and positions women entrepreneurs as either failed or reluctant subjects. The study proposed that there is a need to build a reflexive critical perspective. This can help in evaluating the current theoretical approaches on women entrepreneurship within the broader ambit of entrepreneurship research. **Chauhan and Aggarwal (2017)** studied the role and implication of youth entrepreneurship in Indian economy. The study also throws a light on the challenges faced by youth entrepreneurs and steps that should be undertaken to tackle these challenges efficiently and encourage young individuals to start their ventures. The study found that Youth entrepreneurship is that one tool which can save any nation from drawing in the sea of high unemployment, poverty and stagnation. The list of benefits that young entrepreneurs provide to a nation is never ending. **Agarwal (2019)** described about women entrepreneurship and innovations based upon personal and business characters. She also tried to understand how innovation in Entrepreneurship leads to success and growth of an enterprise. 100 women entrepreneurs were chosen for data collection from India. Well-structured questionnaires used for data collection. She used different tools for data analysis *i.e.* mean, standard deviation, Cronbach's alpha and ANOVA Result showed that women entrepreneur innovation of women associated with different factors education, type of finance, location of business, annual income and job security.

3. OBJECTIVE OF THE STUDY

The main objective of the study is to identify opportunities and challenges faced by entrepreneurs with reference to Haryana.

4. RESEARCH METHODOLOGY

4.1 RESEARCH DESIGN

Analytical as well as descriptive research design has been used in the present study to have a better understanding of the requirement and significance of entrepreneurship.

4.2 SCOPE OF THE STUDY

A total of 157 respondent's response is collected through structured questionnaire with the help of judgmental sampling to cover 157 entrepreneurs from Haryana, which included 25% of women entrepreneurs. Researcher visited five cities *i.e.* Faridabad, Panipat, Gurugram, Hisar and Pinjore to collect data from different entrepreneurs of Haryana. The age, gender, and other demographic and socio-economic data of entrepreneurs have also recorded.

4.3 DATA COLLECTION

Primary data is collected through customized structured questionnaire. A structured questionnaire is classified into three parts, part one covered demographic profile, the part two covered opportunities, the part three covered challenges faced by entrepreneurs. The present study covers challenges and opportunities explored in the northern region state *i.e.* Haryana.

4.4 DATA ANALYSIS

Data collected through questionnaires and tabulated by using Excel and SPSS software, interpretation of data. Different statistical techniques are used for the analysis of data. According to the nature of data, appropriate statistical tools are applied, such as data reduction techniques factor analysis are used for challenges and opportunities of entrepreneurs. The statistical techniques are used after considering the objectives, scales used and characteristics of data normality.



4.5 DATA ADEQUACY FOR FACTOR ANALYSIS

Factor analytical technique has been applied to the twenty statements in order to extract dimensions influencing the motivating factors that drive individuals towards entrepreneurship. In order to carry out factor analysis, following steps have been followed. Initially, suitability of data for factor analysis has been tested through correlation matrix and all twenty statements used in the study have been found to be highly correlated. Further Overall Measure of Sampling Adequacy (MSA)-KMO has been computed and the calculated value of KMO (Kaiser-Meyer-Olkin) is found to be 0.715 which indicates that the sample is adequate enough to conduct factor analysis. Bartlett's Test of Sphericity also shows statistically significant number of correlations among the variables. Hence, all the parameters discussed above support the application of factor analysis.

EXTRACTION METHOD AND NUMBER OF FACTORS EXTRACTED

Principal Component Analysis (PCA) has been used for extracting factors and the number of factors to be retained is based on latent root criterion, variance explained and Scree plot analysis. Conclusions were obtained through orthogonal rotations with Varimax. Dimensions influencing the motivating factors that drive individuals towards entrepreneurship with eigen values greater than one is used as a criterion to determine the number of factors and all factor loadings greater than 0.45 (ignoring the sign) were retained (Hair et al., 2010). The analysis yielded a six-factor solution which explained 53.34 per cent of total variance but a statement "Ambition of family members inducing you to enter into the entrepreneurial world" has given low communality, hence deleted from the analysis and run factor analysis again with 19 statements.

5. RESULTS AND DISCUSSIONS

5.1 Dimensions of challenges faced by Entrepreneurs-A Factor Analytical Approach (Haryana State)

Factor analytical technique has been applied to the twenty five statements using the steps described in the previous analysis on the data of Haryana state. The analysis yielded a six factor solution explaining 52.439 per cent of total variance explained. The results of factor analysis in this regard are presented in Table 5.1.

Table 5.1 Dimensions of Challenges faced by Entrepreneurs-Factor Analysis (Haryana)

Statements	Factors						Communalities
	F1	F2	F3	F4	F5	F6	
Shortage of own funds	0.680						0.570
Lack of encouragement from family and society	0.541						0.490
Lack of Technical training	0.710						0.560
Lack of knowledge about modern technologies	0.677						0.502
Lack of Motivation and Encouragement by Govt.	0.657						0.537
Lack of support from banks		0.607					0.427
Higher dependence on family and relatives		0.594					0.402
High Interest Rates charged by Banks		0.691					0.602
Corruption and political interference		0.575					0.454
Lack of knowledge about legal aspects		0.579					0.525
Lengthy File work and Formalities for loan			0.658				0.545
Lack of knowledge about various forms of government financial assistance			0.568				0.544
Lack of Skill Enhancement workshops			0.678				0.603
Frequent work stoppages				0.697			0.460
Lack of marketing skills				0.575			0.537



Lack of marketing facilities				0.757			0.654
High wage rates					0.660		0.653
Non-availability of skilled workers					0.669		0.701
Managing workers at work place					0.576		0.541
Absenteeism					0.505		0.412
Inability to provide securities for loan						0.458	0.402
Higher rate of credit transactions						0.414	0.520
Lack of marketing centre						0.692	0.601
Tough competition from larger and established units						0.511	0.449
Eigen values	3.658	2.592	2.105	1.741	1.541	1.474	Σ 13.111
Explained variance %	14.631	10.368	8.418	6.963	6.162	5.897	
Cumulative variance %	14.631	24.999	33.417	40.380	46.542	52.439	
KMO (Kaiser-Meyer-Olkin) = 0.587, Bartlett's Test of Sphericity = Approx. Chi-Square = 1054.655, df = 300, Sig. = 0.000							

LACK OF KNOWLEDGE, MOTIVATION AND FUNDS (F1)

The first factor has been titled as “Lack of knowledge, motivation and funds” includes five variables i.e. Shortage of own funds, Lack of encouragement from family and society, Lack of Technical training, Lack of knowledge about modern technologies and Lack of Motivation and Encouragement by Govt. This factor explained the value of total variation is 14.631 in the factor analysis and reflected that lack of knowledge about modern technologies and shortage of own funds are the major problems faced by entrepreneurs.

LACK OF SUPPORT FROM BANKS AND FAMILIES (F2)

Second factor has been labeled as “Lack of support from banks and families” includes five variables i.e. Lack of support from banks, Higher dependence on family and relatives, High Interest Rates charged by Banks, Corruption and political interference and Lack of knowledge about legal aspects. This factor explained the value of total variation is 10.368 per cent in the factor analysis. This factor suggests that respondents' higher dependence on family to fulfill financial needs of enterprise is the major problem faced by them. Moreover, banks are not providing proper support to entrepreneurs in fulfilling their financial needs and charging higher interest rates.

LACK OF AWARENESS ABOUT GOVERNMENT ASSISTANCE (F3)

The third factor has been tagged as “Lack of awareness about government assistance” and includes three variables i.e. Lengthy File work and Formalities for loan, Lack of knowledge about various forms of government financial assistance and Lack of Skill Enhancement workshops. This factor explained the value of total variation is 8.418 per cent in the factor analysis.

INADEQUATE MARKETING FACILITIES/SKILLS (F4)

The fourth factor has been named as “Inadequate marketing facilities/skills” comprises three variables i.e. frequent work stoppages, Lack of marketing skills and Lack of marketing facilities. This factor explained the value of total variation is 6.963 per cent in the factor analysis. This factor reflects that inadequate marketing skills in individuals is the major problem in making them good entrepreneurs hence leads to work stoppage frequently.

UNAVAILABILITY OF SKILLED WORKERS (F5)

The fifth factor has been named as “Unavailability of skilled workers” comprises four variables such as high wage rates, non-availability of skilled workers, managing workers at work place and absenteeism explaining 6.162 per cent of total variance. This factor reflects the relevance of workers required to start an enterprise as an individual alone is



not able to pursue all tasks hence desired to have workers who will perform work. But, there is very less people who would like to perform the tasks of workers hence these problems are very prominent in discouraging the respondents to become entrepreneurs.

UNAVAILABILITY OF SECURITIES AND STIFF COMPETITION (F6)

Four variables such as inability to provide securities for loan, higher rate of credit transactions, Lack of marketing centre and Tough competition from larger and established units constituted sixth factor named as “Unavailability of securities and stiff competition” explaining 5.897 per cent of total variance. This factor explicated that respondents believe to have securities of less amount to obtain loan is the problem in setting up an enterprise. Moreover, small enterprise faces tough competition from giant business units which create problem in the survival of such units.

Table 5.2: Dimensions influencing Opportunities of Entrepreneurship and Women Entrepreneurs- Factor Analysis (Haryana)

Statements	Factors				
	F1	F2	F3	F4	Communalities
Tax concession for women entrepreneurs	0.728				0.709
Enhancing the skills by adequate training	0.725				0.692
Low cost start up loans	0.698				0.651
Conducting computer training programmes		0.793			0.734
Specific financial support for women entrepreneurs		0.643			0.618
Relaxation in micro finance schemes		0.606			0.587
Access to loan guarantees			0.724		0.698
Support for the establishment of co-operatives			0.658		0.656
Open vocational training institutes in rural areas				0.543	0.519
Grants for business start up				0.499	0.476
Eigen values	2.734	1.505	1.095	1.000	Σ 6.334
Explained variance %	21.772	12.971	8.836	7.453	
Cumulative variance %	21.772	34.744	43.58	51.033	
KMO (Kaiser-Meyer-Olkin) = 0.607, Bartlett's Test of Sphericity = Approx. Chi-Square = 247.859, df = 45, Sig. = 0.000					

TAX, LOANS AND ADEQUATE TRAINING (F1)

The first factor has been titled as “Tax, loans and adequate training” includes three variables i.e. tax concession for women entrepreneurs, enhancing the skills by adequate training and low cost start up loans. This is the most important factor in case of Haryana state as it explains 21.772 per cent of total variance. This factor suggests that government provides tax concession to women entrepreneurs as well as at the same time, training programmes have been organized by them. Moreover, potential entrepreneurs are provided with low cost loans to start their start-ups.

TRAINING, FINANCIAL SUPPORT AND RELAXATION IN MICRO FINANCE SCHEMES (F2)

Second factor has been labeled as “Training, financial support and relaxation in micro finance schemes” includes three variables i.e. conducting computer training programmers, specific financial support for women entrepreneur and relaxation in micro finance scheme. This factor explained the value of total variation is 12.971 per cent in the factor



analysis. This factor highlighted that if relaxation is given to potential entrepreneurs, they can become good business persons. Moreover, at the same time, training institutes if provided proper and core training with respect to the process of start-ups and their survival, then entrepreneurship would be accepted by majority of respondents.

LACK OF MARKETING AND OWN FUNDS (F3)

The third factor has been tagged as “Lack of marketing and own funds” and include two variables *i.e.* Support for the establishment of cooperatives and access to loan guarantee. This factor explained the value of total variation is 8.836 per cent in the factor analysis.

GRANTS FOR BUSINESS SET UP (F4)

The fourth factor has been named as “Grants for business set up” which includes one variable *i.e.* open vocational training institute in rural area and grants for business set up. This factor explained the value of total variation is 7.453 per cent in the factor analysis. This factor suggests that an individual own financial resources are not sufficient to pursue the decision of start-ups hence, it is required on the part of government to initiate some special grants to potential entrepreneurs so they can actually implement their decision to have start-up into practice.

6. CONCLUSION AND RECOMMENDATIONS

It has been found with respect to the dimensions related to the challenges faced by entrepreneurs of Haryana state is concerned, six dimensions out of twenty-five statements of problems have been extracted. These dimensions are lack of knowledge, motivation and funds, lack of support from banks and families, lack of awareness about government assistance, inadequate marketing facilities/skills, unavailability of skilled workers and unavailability of securities and stiff competition. With respect to the dimensions related to the opportunities of entrepreneurship and women entrepreneurs in Haryana state is concerned, four factors have been explored. These comprise of tax, loans and adequate training, training, financial support and relaxation in micro finance schemes. Lastly, it has been suggested to organize awareness programmes at the schools and colleges by government agencies and regulatory authorities to educate the young blood about various opportunities they can avail to start their business rather than searching for the job, so as to make them job creators not the job seekers.

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