

SERVICE ENTREPRENEUR – AN EVALUATION OF MOTIVATION, PERFORMANCE, AND PROBLEMS

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ABSTRACT

In today's world, entrepreneurs are playing vital role and they have become important part of the global business environment. It is really important for the sustained economic development and social progress. In India, though entrepreneur are playing key role in the society, but still their entrepreneurial ability has not been properly tapped due to the lower performance. The main purpose of this paper is to find out the motivation, performance, and problems of service entrepreneurs in study area. This paper also focuses on the rationale behind a taking up entrepreneurship. For the purpose, data has been collected from both primary and secondary sources. The collected data has been analysed, interpreted and conclusion is drawn at the end.

Keywords: Entrepreneur, Service Entrepreneur , Entrepreneurship, Economic Development,

1. INTRODUCTION

The historical remarks of Mahatma Gandhi is that the “poor of the world can't be helped by mass production but only by production by masses” has always guided our policy makers. An entrepreneur is a person who combines various factors of production, raw material, process, and convert raw material into finished product, creates utility in the product and sells the product in the market in order to earn profit. Entrepreneurship has opened a way for employment generation, resources utilization, so entrepreneurship is the backbone of every nation. The crucial role played by the entrepreneur in the process of economic development through industrialization has been acknowledged by many economists. Meier and Baldwin described the entrepreneur as a catalyst or agent whose activity results in development.

2. REVIEW OF LITERATURE

Shepherd and Dougl¹, *ibid* (2002).conduct a study on “self employment as career choice: Attitude , entrepreneur intentions, and utility Maximization” found that it has been acknowledge that entrepreneur enhancement programmes help ignite the artistic, creative and perceptual aspects of entrepreneurship.

Radhamma S² (2006) in her study, found that industrial estate schemes help to solve unemployment problem of youths. Andra Pradesh Industrial Infrastructure, corporation, Andra Pradesh State Financial corporation, have provide ample opportunities for solving the unemployment problems. She states that there are multiple benefits to the industrialists if their industries are located in industrial estates, they include saving in investing easy transportation of goods, availability of skilled and unskilled labour, cost of sites are comparatively cheaper, good marketing facilities, other facilities like bank, post offices , courier etc.

Bhagmar M and Verma B.L, ³ (2002) in their study found that globalization puts problems in front of the entrepreneurs. In order to overcome this entrepreneurs have to change their mindsets strategies and game paints. Entrepreneurs should be ready to bear more risks, should be innovate and require expanding their market. Another finding was that entrepreneurship is required to take a strong root at the village level and where generating activities.

3. STATEMENT OF THE PROBLEM

History is full of instances of individual entrepreneurs whose creativity has led to the industrialization of many nations. Since industrialization has better potentiality to bring technological revolution through innovation to attain higher rate of return on social investment and to generate dynamism in social and political life, the developing countries have gone for quick industrial development. In the entrepreneurial activities, one of the latest and new lines since 1980 is service sector. In India business environment, services are catching very fast and becoming globally very important now service sector is a commercial activity and a challenging to entrepreneur. Present study aims at evaluating the motivation, performance, and problems of the entrepreneurs. Hence Sagara Taluk has been chosen for the study.

4. OBJECTIVES OF THE STUDY

The present study focuses on following objectives.

- To highlight the factors that motivates the service entrepreneur.
- To evaluate the performance of service entrepreneur.
- To study the general problems which are faced by the service entrepreneur.

5. HYPOTHESES

HYPOTHESES 1.

H₀: There is no association between education and percentage of profit of the service entrepreneur.

H₁: There is an association between education and percentage of profit of the service entrepreneur.

HYPOTHESES 2

H₀: There is no association between category and factors influencing to become an entrepreneur.

H₁: There is an association between category and factors influencing to become an entrepreneur.

6. RESEARCH METHODOLOGY

6.1. Data Collection

6.1.1. Primary Data

For the purpose of study both primary and secondary data are being collected. Primary data has been collected from 40 service entrepreneurs in the study area with the help of an interview schedule constructed the purpose.

6.1.2. Secondary Data

Secondary data has been collected from various websites, journals and books.

6.1.3. Area of study

Sagara Taluk of Shivamogga district has been chosen as the study area.

6.1.4. Tools and Techniques

Convenient sampling method is used while drawing the sample. The collected data has been analyzed and interpreted with the help of various statistical tools like percentage ,weighted point, chi-square , for drawing conclusion.

7. DATA ANALYSIS

The Data collected from sample of 40 service entrepreneurs have been analysed and presented under this heading.

Table 1
Demographic Profile

Classification Base		Number of respondents	Percentage
Gender	Male	24	60.00
	Female	16	40.00
Age	21-30	17	42.50
	31-40	19	47.50
	above 40	04	10.00
Education	Up to SSLC	12	30.00
	PUC	06	15.00
	Degree	08	20.00
	Post Graduation	15	37.50
Category	SC/ST	12	30.00
	GM	15	37.5
	OBC	5	12.5
	Minority	8	20.00
Marital Status	Single	10	25.00
	Married	28	70.00
	Widow	1	02.50
	divorce	1	02.50

Source: Field Survey

Out of total surveyed, majority of the entrepreneur are male that is 24 entrepreneurs, rest of them are female. A good number of entrepreneurs are belongs to the age group of 31to 40 years. Majority of the entrepreneurs are completed SSLC, and post graduation. More number of interviewed entrepreneurs are comes under General merit. Married entrepreneur’s age engaged in entrepreneurial activity.

Table 2
Nature of the Unit

Classification Base		Number of Respondents	Percentage
Form of Organization	Sole Enterprise	29	72.50
	Partnership Firm	6	15.00
	Joint Stock	0	00.00
	Any Other	5	12.50
Establishment	Own	30	75.00
	Government	0	00.00
	Inherited	4	10.00
	Taken over of existing unit	6	15.00
Location	Part of home	5	12.50
	Own premises	2	05.00
	Lease/rental	22	55.00
	Industrial shed	5	12.50

Sources: Field Survey

Form of Organization: out of total served most of the entrepreneur are sole entrepreneur.

Establishment : The survey reveals that majority of the sample entrepreneur are running their own businesses.

Location: Majority of the entrepreneur said that, running their enterprise under lease / rental premises.

Table 3
Motivating Factors to become an Entrepreneur

Factors	Total Point	Weighted	Rank
Need for independence	129		II
Desire to achieve some thing	117		III
Availability of loan/subsidy	52		V
To earn income or money	138		I
To get social prestige	87		IV
To continue family business	42		VI

Sources: Field Survey

Table 3 exhibits motivating factors to become an entrepreneur. Out of total interviewed , majority of the entrepreneur influenced by “to earn income or money” followed by “need for independence and desire to achieve something” are next most influenced factor to become an entrepreneur.

Table 4
Operational Performance

Classification Base		Number of Respondents	Percentage
Management of Unit	Independently	27	67.50
	With the help of family members	8	20.00
	With the help of hired person	5	02.00
Labour Beginning	1-5	27	67.50
	5-10	5	12.00
	10-15	2	05.00
	15-20	4	10.00
	above 20	2	05.00
Labour at Present	1-5	19	47.5
	5-10	10	25.00
	10-15	4	10.00
	15-20	2	05.00
	above 20	5	12.50

Sources: Field Survey

Management of Unit: It is ken from the table 4, majority of the entrepreneurs are manage their unit themselves reasons behind that is most of sample respondents are sole entrepreneurs.

Labour: It clears from the table 4, most of the service entrepreneurs hired less than 5 labour at the begging stage and right now.

Table 5
Financial Performance

Classification Base		Number of Respondents	Percentage
Monthly Income	Below 25,000	15	37.50
	25,000- 50,000	16	40.00
	50,000- 1,00,000	5	12.50
	Above 1,00,000	4	10.00
Begging investment	Below 10,000	6	15.00
	10,000-50,000	10	25.00
	50,000- 1,00,000	3	07.50
	Above 1,00,000	11	27.50
Present Investment	Below 25,000	2	05.00
	10,000-50,000	5	12.50
	50,000- 1,00,000	2	05.00
	Above 1,00,000	6	15.00
Percentage of Profit Earned	Below 25	25	62.50
	25 -50	9	22.50
	50-75	6	15.00
	Above 75	0	0.00

Sources: Field Survey

Monthly Income: It elucidate from the study majority of entrepreneurs earn 25,000 to 50,000.

Investment: It clears from the study; financial information is not reveled correct and some of them are not gave the information so that numbers of respondents are less than 40. From the given information it clears that more or less Rs50,000 to Rs1,00,000 invest at present and at the begging.

Percentage of Profit Earned: It ken from the table 5 out of total service entrepreneur served majority of them told that their profit percentage is 25 per cent.

Table 6
General Problems

Problem of	Wait Point	Rank
Getting raw material	225	II
Procurement of machinery, tools spare parts	218	III
Major break down	153	VIII
Repairs and maintenance	202	IV
Labour	292	I
Power supply	172	VI
Transportation	193	V
Tax problem	85	X
Marketing of products	157	VII
Improper grading of raw material	124	IX
delay in release of subsidy	62	XI
Corruption/ delay in getting service from government office	43	XII

Sources: Field Survey

Even though now days entrepreneur are available with plenty benefits, facilities. It is true from study most common problems faced by the service entrepreneurs are labors, getting raw material, procurement of machinery, tools, spare part to render service.

HYPOTHESIS TESTING

1. H₀: There is no association between education and percentage of profit of the service entrepreneur.

H₁: There is an association between education and percentage of profit of the service entrepreneur.

Table 7

Association between Education and Percentage of Profit Earned

Education	Percentage of Profit Earned(%)					
	below 25		25 -50		50-75	
	O	x2	O	x2	O	x2
Up to SSLC	7	0.03	2	0.18	3	0.80
PUC	5	0.00	3	0.80	0	1.20
Degree	11	0.28	2	0.56	2	0.03
Post Graduation	2	0.41	2	0.68	1	0.08
Total		0.72		2.22		2.11

Sources: Field Survey

Degree of freedom (df) = **6**

Calculated Chi Square value = **5.08**

Chi square value at 5 % significance level = **12.59**

Inference: As the calculated value is lesser than the table value at 5% level of significance, it can be inferred “there is no association between education and percentage of profit of the service entrepreneur.” is accepted

2. H₀: There is no association between category and factors influencing to become an entrepreneur.

H₁: There is an association between category and factors influencing to become an entrepreneur.

Table 8

Association between Category and Factors Influencing to become an Entrepreneur

Factors	Education							
	SC/ST		GM		OBC		Minority	
	O	X ²	o	X ²	o	X ²	o	X ²
Need for independence	1	1.07	0	3.38	4	7.35	3	0.80
Desire to achieve some thing	2	0.02	0	2.25	0	0.75	3	0.68
Availability of loan/subsidy	3	1.50	2	0.008	0	0.63	0	1.00
To earn income or money	6	0.77	8	1.44	0	1.75	0	2.80
To get social prestige	0	1.20	2	0.17	1	0.50	1	0.50
To continue family business	0	0.60	1	0.08	0	0.25	1	0.90
Total	12	5.16	15	7.323	5	11.225	8	6.68

Sources: Field Survey

Degree of freedom (df) = **15**

Calculated Chi Square value = **30.383**

Chi square value at 5 % significance level = **25.00**

Inference: As the calculated value is greater than the table value at 5% level of significance, it can be inferred “there is an association between category and factors influencing to become an entrepreneur” is accepted

8. CONCLUSION

The urge to achieve something, the desire of leading independent life and the necessity of multiplying the family income made people to enter into entrepreneurial activities. Entrepreneurs in India are performing significantly and gaining a lot of success. The study was intended to evaluate motivation factors, performance, problems faced by the service entrepreneurs in Sagara Taluk. It also tried to find association between education and percentage of profit earn and category and influencing factors to become an entrepreneur. The study conclude that most of entrepreneurs are influenced by to earn money, and desired to achieve something, they have contributed positively in the industrial growth of Sagara Taluk. But still they are facing various problems like labour, raw material, and equipments.

9. REFERENCE

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