



A Study on Problems and Prospects Faced By Textile Entrepreneurs in Erode District

KEYWORDS

Entrepreneur, Entrepreneurship, Textile Entrepreneurs.

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ABSTRACT *Business ventures are started by creative human being, popularly called as entrepreneurs. Entrepreneurship exists in all type of industries; the same phenomenon is required to setting up of textile business. With an intention to assess the problems and prospect of textile entrepreneurs, the study has been initiated. Textile business is based on rural and small investment oriented, being a textile entrepreneur, has to face plethora of problems concealed in front of them. This study is carried out with 100 samples in Erode district of Tamilnadu. Simple random sampling is adopted to pick sample, the personal and face-to-face interview method is implemented. This study reveals that there is large number of factors affecting the textile entrepreneurs. It is concluded that despite several odds and problems eroding the textile entrepreneur, the prospects of textile business safeguard them from the evils associated with the textile industry.*

1. INTRODUCTION

Entrepreneurship plays a major role in business development. Man is interested in industry since time immemorial. Scientific and technical innovations have improved the speed of entrepreneurship actions. The entrepreneurs in the study signify a large group have broken away from the trodden track and are exploring new outlooks of economic participation and success satisfaction. In this study, an effort is made to assess the entrepreneurs, perform productively in textile manufacturing and trading. In order to become an entrepreneur, a person should possess certain personality traits, modernism and creativity, require and achievement, risk taking, ability, personal efficiency, desire were considered as significant elements to conclude their success in home textile business. Being an entrepreneur is about more than just opening a business or two, it is about having approach and the power to be triumphant in business. All successful entrepreneurs have a similar way of thoughts and possess plentiful key personal qualities that make them so triumphant in business. Entrepreneurial activity depends on individual motivations, knowledge, socio-cultural ethnicity, experience, relevant skills and attitudes, credit accessibility, commercial houses, infrastructure in the nation, macro-economic atmosphere and constancy of Government. Socio-cultural factors such as social norms, family values, friend's networks and value of entrepreneurship, play a key role in fostering the entrepreneurial endorsement.

2. STATEMENT OF PROBLEM

Entrepreneurship is the tendency of mind to take intended risk with confidence to attain a pre-determined business or industrial objective. Entrepreneurship development is an important one for increasing the production and productivity in the primary, secondary and tertiary sectors harnessing and utilising the material and human reserves, solving the problem of unemployment, under employment, effecting equitable distribution of income and wealth, increasing the national income and improving the quality of life of entrepreneurs. The financial resources and non-financial services are to be distributed to strengthen their entrepreneurial spirit. The higher educational institution offers training, technological guidance and other programmes with or without the aid from Government. It has strategic im-

portance for each national economy due a wide range of motives. Owing to their private ownership, entrepreneurial spirit, their elasticity and adaptability as well as their possible to react to challenges and changing environments, textile unit add to sustainable growth and employment generation in a significant manner. Textile entrepreneurs are facing lot of problem at the same time harvest many benefits in the market. Hence in this direction, this study has been conducted to assess the problems and prospects of textile entrepreneurs.

3. REVIEW OF LITERATURE

Empirical studies of diverse Indian regions indicate that entrepreneurs in India score rather low on risk-taking propensity measures (Rutten, 2006). Leeuwen (2007), showed that India delayed behind in human capital during the 20th century, making it hard for entrepreneurs to adopt new technologies, and for politicians to support new technology-based entrepreneurship without causing social turbulence. However, recent data point out a fairly high level of human capital among men entrepreneurs in India, but only a low level among women entrepreneurs (Shivani et al. 2006).

4. OBJECTIVES OF THE STUDY

This study is carried out with the following objectives:

To study the demographic background of textile entrepreneurs engaged in various textiles business.

To study the influence of various problems and challenges affecting the textile entrepreneurs.

To examine the various prospective factors connected with the textile entrepreneurs.

To know the different expectations of textile entrepreneurs to carry out textile business in Erode district.

5. RESEARCH METHODOLOGY

This study has been initiated with quantitative and simple random sampling design. The data has been collected with restrictions that respondents should have minimum experi-

ence of conducting textile business for one year is considered. Due to the wide presence in the establishment of textile units in the sample area, the study has been carried out in Erode district of Tamilnadu. Erode district consists of various textile units like, dyeing, weaving, spinning, processing, knitting, garments and so on. The textile unit preferred for the study is, it should take ups more skilled and un-skilled employees and is known for employment of considerable capital. This study consists of 100 samples, which are identified and collected data in November 2015 – January of 2016. Personal and face-to-face interview method has been initiated, and the data is collected by distributing well-structured questionnaire. The data collected from the textile entrepreneurs has been analyzed with suitable statistical techniques. Percentage analysis has been used to analyze the demographic profile. Problems of textile entrepreneurs were analyzed with principal component factor analysis. The prospects of textile entrepreneurs were analyzed through mean score and t-test. Garrot score administered to measure the expectations of textile entrepreneurs.

6. RESULTS AND DISCUSSIONS

6.1. Analysis of Demographic Profile

The collected data is analyzed as per its contents and quantum. A summary of the textile entrepreneurs’ demographic profile is presented in Table-1.

Table – 1: Analysis of Demographic Profile

Particulars	Category	Frequency	Percentage
Gender	Male	93	93%
	Female	7	7%
Age	Below 30 years	31	31%
	31 – 40 years	23	23%
	41 – 50 years	22	22%
	Above 51 years	24	24%
Educational Qualification	Illiterate	22	22%
	School Education	46	46%
	Degree/Diploma	26	26%
	Professional Degree	6	6%
Experience in Textile	1 – 3 years	13	13%
	4 – 6 years	28	28%
	7 – 10 years	24	24%
	More than 10 years	35	35%
Annual Turnover	Less than 5,00,000	4	4%
	5,00,001 – 10,00,000	45	45%
	10,00,001 – 25,00,000	35	35%
	25,00,001 & above	14	14%
Workers Employed	Less than 5	21	21%
	6 – 10 Employees	41	41%
	11- 20 Employees	27	27%
	More than 20	11	11%
Location	Rural	61	61%
	Urban	39	39%

(Basis: Primary data)

6.2. Problems of Textile Entrepreneurs

The various problems of textile entrepreneurs are analyzed by employing principal component factor analysis, which are depicted in the table-2.

Table – 2: Problems of Textile Entrepreneurs

Factors	Variables	Factor Loadings	Eigen Value	% of Variance
Operation Problems	Labor Shortage	0.82	11.15	23.45
	Inclement Weather	0.78		
	Pollution Problems	0.76		
	Legal Obedience	0.75		
	High Labor Cost	0.73		
	Water Availability	0.75		
	Input Accessibility	0.80		
	Fuel/ Electricity cost	0.80		
	Waste Disposal	0.77		
Material Sourcing Problems	High Price	0.78	8.76	17.93
	Poor Quality	0.80		
	Maximum Quantity Purchase	0.77		
	Middlemen Influence	0.72		
	Hoarding	0.81		
	Storage	0.79		
Technological Problems	Price Fluctuation	0.77	6.31	13.14
	Conservative Technology			
	Machinery Maintenance	0.76		
	High Cost of Production	0.79		
	New Technology use	0.74		
Business Problems	Lack of High Technology	0.81	4.92	8.21
	Availability of Credit	0.74		
	Working Capital Finance	0.79		
	More Credit Period	0.75		
	Credit Expectation	0.77		
Entrepreneurial Problems	High Marketing Cost	0.78	2.74	4.10
	Lack of Spirit			
	Lack of Knowledge	0.77		
	Forecasting problems	0.76		
	Local Market Knowledge only	0.72		

(Source: Primary Data)

6.3. Prospects for Textile Entrepreneurs

Table – 3: Mean Score and T-statistics

S. No	Variables	Mean Score		T-stat
		Domes- tic Busi- ness	Export Busi- ness	
1.	Financial support from Government agencies	4.31	4.39	1.696*
2.	Sufficient buyers for product	3.77	3.96	1.932*
3.	Existence of support from industrial association	3.25	3.54	-1.584*
4.	Market support from government	3.58	3.02	1.453
5.	Existence of perfect market	3.36	3.41	-1.647*
6.	Banking support for finance	3.76	4.03	-2.025*
7.	Enough technology support for innovation	3.74	3.82	2.164*
8.	Scope for export marketing	3.91	3.93	-2.131*
9.	Sourcing low cost workers from other state	3.28	3.46	1.763*
10.	Free and subsidized power supply	3.05	3.16	-2.176*

(Source: Primary Data) *Significant at 5% level

6.4. Expectations of Textile Entrepreneurs

Table – 4: Ranking Analysis

S. No	Expectations of Entrepreneurs	Mean Score	Total Score	Rank
1	Uniform price	34.7	347	1
2	Quality checking and maintenance help	28.7	287	4
3	Free from middlemen intervention	26.4	264	8
4	Use of low cost technology	27.2	272	6
5	Skilled and cheap labour	32.6	326	2
6	Business assistance from government	23.4	234	10
7	Textile parks	26.5	265	7
8	Information assistance	25.8	258	9
9	Security on export trade	27.3	273	5
10	Continuous power supply	31.2	312	3

(Source: Primary Data)

7. FINDINGS & CONCLUSION

This present study focused on the problems and prospects of textile entrepreneurs, respondents having varied demographic background have been investigated and the finding of the study is interpreted accordingly. Demographic background in textile entrepreneurs plays a significant role in the development of business. It was found that 93% are male, 31% of respondents are less than the age group of 30 years, 46% of respondents are completed their school education, 35% of respondents are having experience of more than 10 years of textile business, 45% of respondent's annual turnover falls from 5 lakhs to 10 lakhs, 41% of respondents are employed 6 – 10 employees, and 61% are located their business in rural areas. There are various problems affect the textile entrepreneurs, which contains that operational problems (23.45%), material sourcing problems (17.93%), technological problems (13.14%), busi-

ness problems (8.21%), entrepreneurial problems (4.10%) in the total variance of 66.83%. Financial support from government agencies and banking support for finance are the major prospects in both domestic and export business. In case of domestic business sufficient buyers for product, market support, enough technology, scope for export marketing are agreed by the respondents. In export business arena, sufficient buyers, support from industrial association, perfect market, enough technology, low cost workers are strongly agreed by the respondents. The expectation of textile entrepreneurs includes, uniform price for the supply of product, availability of skilled and cheap labour, continuous power supply, quality checking and maintenance, security on export trade, use of low cost technology, and construction of textile parks, free from middlemen intervention, information assistance and business assistance from government. It is concluded that despite several odds and problems eroding the textile entrepreneur, the prospects of textile business safeguard them from the evils associated with the textile industry.

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