Entrepreneurial Barrier – A Reference To Economic Background of Unemployed Graduates

KEYWORDS

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ABSTRACT *Entrepreneurship is the art of doing business with all the necessary managerial activities with utmost passion and interest. Entrepreneurial barriers are the hindrance which will affect the process involved and managerial activities. It cannot affect the passion and interest of the entrepreneur. The person interested in entrepreneurship should not spend more of their time and mental strength on predicting barriers. Hence, this study clarifies them with the different barriers that may hinder the entrepreneurial process on which they can frame suitable methodology to handle the barriers. From the findings obtained from the primary data based on their economic background suitable suggestions are made differently to different segments of unemployed graduates.*

Introduction
Entrepreneurial barrier
Entrepreneurship is the art of doing business with all the necessary managerial activities with utmost passion and interest. Entrepreneurial barriers are the hindrance which will affect the process involved and managerial activities. It cannot affect the passion and interest of the entrepreneur. But it is more important and must be taken into consideration about the possible barriers and must have some predetermined solutions or ways of dealing the barriers. Some of the possible barriers are lack of entrepreneurial qualities, family barrier, peer group, locality, society, political, legal, financial, red tapism and comfort zone. The entrepreneurial barriers also be handled with same passion and interest on entrepreneurship.

Need for the study
Nowadays it is common behavior prevailing in the humans that before initiating any work or process they start to think of barriers that arise during the course of action and spend more time and mental ability in predicting barriers. Similarly there are certain barriers in entrepreneurship. The person interested in entrepreneurship should not spend more of their time and mental strength on predicting barriers. Hence, this study clarifies them with the different barriers that may hinder the entrepreneurial process on which they can frame suitable methodology to handle the barriers.

Review of Literature
Nicola & Philip (2006), the paper tested how competition in local U.S. banking markets affects the market structure of nonfinancial sectors. Theory offers competing hypotheses about how competition ought to influence firm and access to bank credit by mature firms. The empirical evidence, however, strongly supports the idea that in markets with concentrated banking, potential entrants face greater difficulty gaining access to credit than in markets in which banking is more competitive.

Colin & Richard (2002) Much of the government intervention into the market 'gap' for start-up and early-stage equity finance in the UK is based on the belief that the problem is on the supply side. Based on an analysis of the informal venture capital market this paper argues that there is no shortage of finance available. A survey of business angels reveals that many are willing to allocate a higher proportion of their investment portfolio to investments in unquoted companies, with recent tax incentives having a positive effect on their willingness to invest. Over 90% are currently looking to make more investments. However, there are constraints on their ability to invest: they do not see enough deals that meet their investment criteria, the majority of the investment proposals that they receive are of poor quality, and they are often unable to negotiate acceptable investment terms and conditions with entrepreneurs. The implication is that there is a need for further interventions by policy-makers to remove these barriers so that more small firms can take advantage of the substantial pool of angel finance that is available.

Research Methods
The research is descriptive in nature with survey conducted among 1035 unemployed graduates in tamilnadu and the primary data obtained are computed and reliability is found to be 0.91.

Objectives
To find the entrepreneurial barrier on the basis of economic background of unemployed graduates.

Analysis and Interpretation
Table 1 Represents the Barrier of Unemployed Graduates in Tamilnadu

Barrier	Frequency (N)	Percentage (%)
Lowest	55	5
Low	85	8.2
Average	570	55
High	260	25
Highest	65	7
Total	1035	100

Interpretation
From Table 1 it is noted that among the 1035 unemployed graduates 65 (7%) of the respondents have highest barrier, 260 (25%) of the respondents have high barrier, 570 (55%) of the respondents have average barrier, 85 (8.2%) of the respondents have low barrier and 55 (5%) of the respondents have lowest barrier.

Table 2 displays the cross reference between Barrier and Economic Background of unemployed graduates in Tamilnadu

Variables	Barrier					Total
	Lowest	Low	Average	High	Highest	
Family income						
< 1 lakh	15 (27%)	5 (5.9%)	50 (9%)	10 (4%)	15 (23%)	95 (9%)
1 – 5 lakh	5 (9%)	45 (53%)	265 (46%)	130 (50%)	40 (62%)	485 (47%)
5 – 10 lakh	20 (37%)	20 (23%)	190 (33%)	80 (31%)	10 (15%)	320 (31%)
10 – 15 lakh	15 (27%)	15 (18%)	60 (11%)	25 (9%)	0 (0%)	115 (11%)
>15 lakh	0 (0%)	0 (0%)	5 (1%)	15 (6%)	0 (0%)	20 (2%)
Total	55 (100%)	85 (100%)	570 (100%)	260 (100%)	65 (100%)	1035 (100%)
Start own business						
Yes	55 (100%)	65 (76%)	530 (93%)	200 (79%)	55 (85%)	905 (87%)
No	0 (0%)	20 (2%)	40 (7%)	60 (21%)	10 (15%)	130 (13%)
Total	55 (100%)	85 (100%)	570 (100%)	260 (100%)	65 (100%)	1035 (100%)
Business idea						
Yes	55 (100%)	65 (77%)	125 (22%)	205 (79%)	65 (100%)	515 (50%)
No	0 (0%)	20 (23%)	445 (78%)	55 (21%)	0 (0%)	520 (50%)
Total	55 (100%)	85 (100%)	570 (100%)	260 (100%)	65 (100%)	1035 (100%)
Expected monthly earning						
10000 – 20k	0 (0%)	10 (12%)	15 (3%)	15 (6%)	10 (15%)	50 (5%)
20001 – 30k	10 (18%)	5 (6%)	85 (15%)	15 (6%)	20 (31%)	135 (13%)
30001 – 40k	15 (27%)	0 (0%)	360 (63%)	30 (11%)	0 (0%)	405 (39%)
40001 – 50k	0 (0%)	50 (59%)	25 (4%)	25 (10%)	0 (0%)	100 (10%)
Above 50k	30 (55%)	20 (23%)	85 (15%)	175 (67%)	35 (54%)	345 (33%)
Total	55 (100%)	85 (100%)	570 (100%)	260 (100%)	65 (100%)	1035 (100%)

Interpretation

From the table 2 it is found that among the 1035 respondents 7% of them falls in the category of highest barrier group which can be classified as danger zone. Among these 65 respondents 62% of the respondents have family income of 1 – 5 lakh, 23% of them are having family income of less than 1 lakh and 15% of remaining is in income group 5 - 10 lakh. There are no respondents from family income of 10 – 15 lakh and more than 15 lakh are in the danger zone. The respondents in income group more than 15 lakh has accepted that there are average and high barrier but no highest, low and lowest barrier.

85% of the highest barrier group members have interest to start their own business and 15% of the remaining have no interest to start their own business.

All the respondents in the highest barrier segment said that they have business idea or plan.

The more number of respondents falls in the category of expectation of above 50,000 with 54% among the highest barrier group. 31% of the respondent's expectation is 20,001 to 30,000 and remaining 15% of them have expectation of 10,000 to 20,000. There are no highest barrier respondents in the category of 30,001 to 40,000 and 40,001 to 50,000 constitutes 49% of the total unemployed gradu-

ates.

Findings

There are no respondents from family income of 10 – 15 lakh and more than 15 lakh are in the danger zone.

The respondents in income group more than 15 lakh has accepted that there are average and high barrier but no highest, low and lowest barrier.

All the respondents in the highest barrier segment said that they have business idea or plan.

There is no highest barrier respondents in the category of 30,001 to 40,000 and 40,001 to 50,000 expected monthly earning, who constitutes 49% of the total respondents.

Suggestion

Among the 1035 unemployed graduates it is identified from the findings that the respondents from income group 10 lakh and above who are not in danger zone can be focused intensively to make them start their entrepreneurial process immediately. Among these respondents who are having more than 15 lakh family income can be suggested to venture into business that needs high investment.

The unemployed graduates in highest barrier segment with business idea/plan is suggested that instead of thinking about the barrier they should start to work more concentrated to develop their business idea and frame different ways to overcome the barriers.

The unemployed graduates who are expecting monthly earning of 30,001 to 50,000 are suggested that they should start the business which requires more human capital because it provides lots of opportunity for business diversification which will ensure their expectation.

Conclusion

Entrepreneurial barriers are barriers that can be easily dealt by an individual with simple procedures if it is taken as a routine duty to be performed by the entrepreneur.

Reference

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