



A STUDY ON PROBLEMS OF YOUNG ENTREPRENEURSHIP IN INDIA

Management

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ABSTRACT

The study focuses on the problems that young entrepreneurs have in the business. Young people are unemployed and the job opportunities for the youngsters have become very low in this competitive world and youth unemployment rate is growing at alarming speed. Young people face major economic problems in the society. Young entrepreneurs have excess problems like bringing out ideas, financial requirements and implementing the products to the market when compared to experienced entrepreneurs. Finding employees for the business is a complicated job for the young entrepreneurs and also the decision making process for the young entrepreneurs will make them fatigue due to lack of experience.

KEYWORDS:

Young entrepreneurs, Problems, Economic development, Innovation.

Introduction:

Youth is the Future of every nation and inheritors of the society. If the youth population is high in the country there will be high growth in the every progress of the society but in recent years many young people are unemployed and the job opportunities for the youngsters have become very low in this competitive world. Many young people face major economic problems in the society. Youth unemployment is a major problem faced by most of the countries in the world. Youth unemployment rate is growing at alarming speed (Francis, 2002). Bygrave and Hofer in 1891 defined the entrepreneurial process as involving all the functions, activities, and actions associated with perceiving of opportunities and creation of organizations to pursue them (Santhi & Rajesh Kumar, 2011).

Who is an Entrepreneur?

An entrepreneur is a person who manages and organizes a business enterprise and ready to take risk for obtaining profit in the business. Any person who starts and operates a business is an entrepreneur. An entrepreneur has to acquire skills and motivation to start the business or enterprise of his own (Yoganandan & Vetriseivan, Youth Empowerment and Skill Development, 2016). An entrepreneur is the person who endures to take risk, unites several factors of production; to exploit the perceived opportunities in order to induce demand, create wealth and employment (Hannah, 2012).

Role of Young Entrepreneurs

Young people may not seem to be a likely group for entrepreneurs due to their inexperience and lack of finance but they have interest in entrepreneurship and many young people feel that the self-employment is feasible to them (Vilasinee, 2010). Young entrepreneurs are motivated and involved in the entrepreneurial activities and also they have different approaches and ideas to run the business (Manjusmita & Kulveen, 2012).

Many businesses that run by the young people do not naturally grow, survive or provide sustainable incomes. This reveals that most of the businesses have larger difficulties in growing and surviving. When compared to the experienced entrepreneurs, young entrepreneurs have lower survival rates in the business administration. However young people's businesses have the growth potential in average than old entrepreneurs in the business (Jacek, 2015).

Different types of entrepreneurs

There are different types of entrepreneurs but the research focus on two types of entrepreneurs: "innovative entrepreneurs and replicative entrepreneurs" innovative entrepreneurs start a new business venture with new business structure and also with new ideas, new schemes and bring new products in the market and implement new marketing techniques and strategies and give new services to the customers. Whereas replicative entrepreneurs have unique selling of the products in the existing markets and also they are benefited by introducing their product in a well-established market (Alexander, 2014).

In the business world there are different types of entrepreneurs, the entrepreneurs may belong to any type but every entrepreneur does not have same problems in the business, likewise young entrepreneurs have excess problems like bringing out ideas, financial requirements and implementing the products to the market etc, in making the business successful (Mohammad & Assel, 2008).

FACTORS AFFECTING ENTREPRENEURIAL DEVELOPMENT

There are various Factors that affect the entrepreneurship development in the business. The study focuses only main factors that affect entrepreneurship among young people.

Economic Situation:

Economic Situation is one of the most important factors that affect the entrepreneurship in developing the business. Capital plays a major role for starting the business/ enterprise. When the capital investment of the business is increased, the profit of the business will also be increased this leads to speed up the process of capital formation of the business. The young entrepreneurs have to come up with good capital investment in the business that makes the profit high (Nico & Nicolene, 2014).

Availability of Labour:

Labours availability is a significant factor for the entrepreneurial growth. The right type of workers availability for the business is intricate which affect the entrepreneurship in growing. The excellence and magnitude of the labour raise the appearance and growth of the entrepreneurship. The Young entrepreneurs have to be enthused in selecting the labours for the business (Lawrence, 2012).

Raw Materials:

Raw materials are the major ingredients for manufacturing any products in the business. The shortage of raw material badly affects the entrepreneurial development. Without sufficient supply of raw materials no business can run properly and the growth of the entrepreneurship is affected. The young entrepreneurs have to import sufficient and adequate supply of raw materials for the product to be established among the customers and also in the market (G S & Jane, 2013).

Compelling Factor:

Many people take decision due to coercion rather than willingness because of their situation or family environment, likewise some of the entrepreneurs including young people may be forced to become an entrepreneur whether the business is successful or not. If any of the entrepreneurs is in this situation they do not independently, they do not take right decision in right way, and they may not be able to utilize the funds properly for the business activities. This leads the business in a critical situation to survive and also it affects the entrepreneurship development (Lagat, Maru, Chepkwony, & Kotut, 2012).

Government attitude:

Government plays a major role in the progress of entrepreneurship. The government regulates the activities of the business. Favourable response of the government simplifies the growth of the entrepreneurship, but the unfavourable response of the government affects the formation and growth of the entrepreneurship. The entrepreneurs have to drive the business within the concessions and confines set by the government. Government has to manage proper allocation of fiscal power between the public and private sector (Sundar, P.N, & P, 1991).

OVERALL PROBLEMS OF YOUNG ENTREPRENEURS**Financial Problems:**

Young people have financial barriers to start their own business venture. Most of the youth do not have support for saving money which can be utilized for the business purpose, so they need to raise their capital through the family, friends or any financial institutions to make the business run. In this case they may not get sufficient funds for the business and they have many difficulties in getting going (Prem & Nikhil, 2015).

Social Repudiation:

The Family members and friends may not understand the situation of the young people in the business and they refuse to support them. Many people will criticize the ideas of the young people which will affect them to grow in the business. If the ideas implemented by the young entrepreneurs in the business become unsuccessful the society may blame them as lack of experience (Trilochan, 2015).

Hiring Employees/Staff:

Hiring the employees for the business is not an easy task. Finding the employees with ability, skills, and attitude is a complicated job for the young entrepreneurs in the business. If the company/business is situated in the small town there is difficulty in finding the suitable workers or employees because top talented people are shifting to the remote cities to improve their own employment outlook (Brijesh & Kirit, 2013).

Decision Making:

Generally, entrepreneurs are forced to make many decisions in their daily business life. The young entrepreneurs who are new in the business may feel complex in the decision making process. Decision making process is a fatigue for the young entrepreneurs that they will experience if they are not prepared for the new level of stress in the business (Yoganandan & Vetrivelan, 2016).

Finding Customers:

Many customers usually look for the branded products to purchase. The young entrepreneurs have the difficulty in attracting customers towards their products. The life of the young entrepreneurs seems exciting but they have many complications in making the product success among the customers. The small marketing budget and global competition makes complicate the effort to attract or retain customers (Yoganandan & Vetrivelan, Growth of textile industry in India, 2016).

PROBLEMS IN THE BANKS AND FINANCIAL INSTITUTIONS

Finance is the key input for any business. In starting a new business venture the financial investment mainly comes from the banking, government channels and financial institutions. The young entrepreneurs have many problems in availing loans from the government organizations and money-making banks. The Financial sectors will inquire many information and data regarding the business which the entrepreneurs have to get prepared for producing the documents. When the loans are raised from the government agencies, the procedure is so difficult and most of the entrepreneurs will hesitate to claim the loan for the business (Jaskaran & Davinder, 2014).

Banks may not consider the entrepreneurship as a major business opportunity for the society and they explore many new schemes and options such as venture debt, soft loans etc, for starting the business and also they may not give sufficient capital in which they have to make the business survive. So they do not get much support for their business. This may lead the business delay or stop growing in the society (Allan & Meltzer).

Conclusion

Young entrepreneurs are the wheels on which a country can drive its economy. Innovation plays a major role in growth of the global

economy. The Government support for innovation is important. In India, the population is not only assorted but also huge and the youth population is high in the country, it is crucial to impart entrepreneur skills in these people. The country's economic plan must be encouraging for organizations to achieve efficiency in today's global market and they will come out with new visions for the economic growth of a country. Entrepreneurship acts as a positive force in economic growth of a nation and also it acts as a bridge between innovation and market place.

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