

AN ANALYSIS OF FACTORS AFFECTING TO ENTREPRENEUR DEVELOPMENT IN RAJASTHAN

Dr Naresh Kumar*

Manish Dadhich**

Abstract:

Entrepreneurs are leaders willing to take risk and exercise initiative, taking advantage of market opportunities by planning, organizing and employing resources often by innovating new or improving existing products. Entrepreneurship is the act and art of being a capitalist who undertakes innovation, allocate finance and business acumen to transform innovations into economic goods, resulting in new organizations or revitalizing existing ones. Entrepreneurship is not only an efficient tool in facing the challenges of today but also creating potential market for all countries. It is a process of creating something new with value by devoting the necessary time and effort. This paper emphasizes on factors affecting to entrepreneur development in the state of Rajasthan with associating variables like infrastructure facilities, investment, spirit of entrepreneurship with the help of statistical tool i.e. Reliability, KMO and Regression analysis.

Key Words: Technology innovation, Sustainable development and performance, Collaboration, Venture capital, Enterprises.

* Associate professor, Department of EAFM, University of Rajasthan, Jaipur

** Research Scholar, Department of EAFM, University of Rajasthan, Jaipur

1. Introduction

Entrepreneurship is the ability of developing, organizing and managing a business enterprise along with risks in order to make profit. It is the act and art of being an entrepreneur who undertakes innovations, brings finance and business acumen to transform innovations into economic goods, resulting in new organizations or revitalizing existing ones. This promotes employment generation, capital/skill formation and creates wealth. Entrepreneurs can acquire new technologies by actively researching and developing new solutions to solve current technological flaws. Although much of the research in the fields of pharmacology, cloning, and biotechnology require the utilization of expensive laboratories, other technological research and experimentation can be done in one's home. For example, an entrepreneur simply needs a few computers to develop a new software technique. Similarly, the use of a simple broad band and a few inexpensive electronic components are sufficient to invent a new electronic device. More promising is the fact that a number of technology enthusiasts, who have worked out of their own home garages, have proposed and prototyped several automobiles that run on solar electricity and hydrogen. Broadly speaking, the issues affecting the entrepreneurs can be categorized as Impact of globalization, Credit, Marketing, Technology, Infrastructure, Regulatory regime, Cluster development, Access to information, Delayed payments and Skill & entrepreneurship development.

Profile of Rajasthan as an investment destination

Rajasthan is a land of opportunities embedded in its vast mineral resources; close proximity to the northern and western markets of India; educated and skilled labor force; and investor-friendly attitude of the State Government. It is manufacturing a wide range of products, which includes synthetic and cotton yarn, cement, marble and granite slabs, edible oils, chemicals, rubber and plastic based items, fertilizers, electrical and electronics goods, ceramic and glass etc. In addition, its diverse and beautiful landscape has made tourism in the State and a preferred sector for investment. Rajasthan's investor friendly policies, peaceful environment, hospitable people, vast and unexplored natural resources, world class medical and education facilities have made it one of the most preferred destinations for national and international investors. The advantageous features of the State are:

- Cooperative Government machinery.
- Skilled and hard working human resource.
- Peaceful industrial climate.
- Strong institutional set up for technical education.
- Efficient infrastructural set up.
- Large consumer market, etc.

As a result, Rajasthan has attracted a large number of investors for setting up their operations in the State. They have set up industrial units in diverse fields like information technology, chemicals, agro-processing, cement, granite, electronics and engineering. To encourage further

inflow of investment, the Government of Rajasthan has undertaken several policy measures and incentives for various sectors of its economy.

2. Need of the Study

The need of the study is to unfold the various dimensions of factors that influence the entrepreneur development in Rajasthan. At present the state is in position to attract the foreign manufacturing investors with lucrative schemes but at this juncture it is also vital to assess the problems and their corrective measures.

3. Review of Literature

Balasubramanyam (2013) described the progress of EPZ/SEZ in Indian economy. The second part would assess the SEZ administration and various aspects of SEZ policy. Third part brings out a discussion of the problems in implementation of SEZ in the economy. Fourth part adds the international comparison of SEZs in China, Bangladesh and Sri Lanka emerging issues for discussion of policy makers/administrators and further research are posed in the conclusion.

Rao, Achalapathi (2012) discussed that unbalanced growth led to formation of special economic zone in order to support the Indian economy while doing SWOT analysis, they concluded that infrastructure development and globalization help in employment generation, competitiveness and shifting burden from agriculture to manufacturing & service sectors.

4. Objectives

In the light of above review of literature and the issues raised the following objectives of the present study:

- a. To study how do the infrastructure and investment affect entrepreneurship in the state?
- b. To evaluate the factors influencing preference and expectations of the entrepreneurs.
- c. To study the relationship of state consultation policy and spirit of entrepreneurship in the state.

5. Hypothesis

H₀₁: There is no significant relationship between entrepreneur policy with infrastructure development and investment attraction of the state.

H₀₂: There is no significant relationship between state consultation policy and spirit of entrepreneurship.

6. Research Methodology

The purpose of the study is analyzing factors affecting entrepreneurship development in the state of Rajasthan. This goal has been followed by examining the following aspects:

- a. **Collection of data:** The study based on both primary and secondary data. The primary data collected through a structured questionnaire and by holding interview with various categories of convenience (snow ball) sample who have been working as entrepreneurs in the state. The secondary data collected from the published records of government reports, journals, books etc.
- b. **Tools of analysis:** The collected data recorded, analyzed and interpreted in the significant manner with the help of SPSS 21. The statistical tools used for the study included **Reliability test, KMO test and Regression.**
- c. **Sample size:** For the purpose of study, Pali districts selected in the state of Rajasthan. A total of 60 respondents were covered by the study but only 52 respondents have attempted all the statements and hence, the analysis was confined to these respondents only. Due care have been taken to include varying entrepreneurs' profile to make the sample a truly representative one. The questionnaire consists of two sections. The first part consists of two questions about general profile of the respondents in table-1. Second part consists of fourteen statements, to study the factors of the samples i.e. state entrepreneur policy with infrastructure and investment attraction, state consultation policy and spirit of entrepreneurship of the respondents.

Independent variables

- Infrastructure development
- Investment attraction
- Spirit of entrepreneurship

Dependent variables

- Entrepreneurship policy
- State consultation policy

For analyzing each statement, the opinion of the entrepreneurs have been elicited on Likert five point scales ranging from Strongly Agree-5, Agree-4, No Opinion-3, Disagree-2, and Strongly Disagree-1.

- d. **Period of study:** The data was collected during the month of April 2015 to June 2015.

7. Analysis and Interpretation

Table-1 Profile of Entrepreneurs

Types	No of Respondents	Percentage
Mines & Minerals	10	19.10
Iron and Steel	12	23.00
Umbrella	14	27.00
Chemical	07	13.50
Food Products	09	17.40
Total	52	100.00

Table-2 Export or Non-export Units

Types	No of Respondents	Percentage
Export Industries	08	15.40
Non-export Industries	44	84.60
Total	52	100.00

In table-1 there are total 52 entrepreneurs considered for further analysis, ten from mines and mineral, twelve are Iron and Steel, fourteen are Umbrella, seven are Chemical and nine are Food Product industries. In table-2 eight industries are export oriented units whereas forty four are non-exporting units only.

Table 3 (A)

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.559
Approx. Chi-Square		673.838
Bartlett's Test of Sphericity	df	91
	Sig.	.000

Table 3 (B)

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.798	.804	14

For profiling the respondents on the basis of their response, factor analysis was employed on 14 statements. Kaiser-Mayo-Olkin test was conducted to measure the adequacy of the sample size. The test generated a score of 0.559 in table-3(A). Initially, in order to test the reliability of these statements Cronbach Alpha revealed a score of 0.798 in above table-3(B), showing that the statements were reliable enough for further analysis. In order to test the hypothesis, a series of regression were used to analyze the relationships between the predictors (independent variables) and the dependent variables. The hypothesis and results are as follows:

Table 4

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.914 ^a	.836	.829	.45780

a. Predictors: (Constant), Investment attraction, Infrastructure facilities

Table 5

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	52.404	2	26.202	125.020	.000 ^b
	Residual	10.269	49	.210		
	Total	62.673	51			

a. Dependent Variable: Entrepreneurship Policy

b. Predictors: (Constant), Investment attraction, Infrastructure facilities

Table 6

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-.645	.321		-2.009	.050
	Infrastructure facilities	1.025	.075	.829	13.667	.000
	Investment attraction	.203	.058	.210	3.471	.001

a. Dependent Variable: Entrepreneurship Policy

In the above tables the result of multiple regression shows value of R and R² are 0.914 and 0.836 which is quite momentous whereas association between dependent variable (entrepreneurship policy) and Independent variable (infrastructure facilities, investment attraction) are very much significant as the beta- 0.829 and 0.210 and p-value is less than 0.05 levels. Thus we reject the null hypothesis and predict that the entrepreneurs have more influenced by these two variables.

Table 7

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.906 ^a	.821	.818	.44321

a. Predictors: (Constant), Spirit of entrepreneurship

Table 8

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	45.159	1	45.159	229.895	.000 ^p
	Residual	9.822	50	.196		
	Total	54.981	51			

a. Dependent Variable: State consultation policy

b. Predictors: (Constant), Spirit of entrepreneurship

Table 9

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-.214	.251		-.850	.400
	Spirit of entrepreneurship	1.050	.069	.906	15.162	.000

a. Dependent Variable: State consultation policy

In the above tables the result of regression shows value of R and R² are 0.906 and 0.821 which is significantly relevant whereas association between dependent variable (state consultation policy)

and Independent variable (spirit of entrepreneurship) are quite significant as the beta- 0.906 and p-value is less than 0.05 levels. From the analyses, we again reject the null hypothesis and conclude that the entrepreneurs are very much concerned about state consultation policy which is one desk clearing process of new entrepreneurs.

8. Limitations and future direction

The survey was conducted among a group of respondents from a small district of India; the results should be interpreted with caution, particularly with respect to the generalization of research findings of Indian entrepreneurs as a whole. Future research needs to focus on a larger cross section of entrepreneurs and more diversified random samples to verify the findings of the current study.

9. Conclusion

Revival of entrepreneurship is the requirement of the hour. The role of entrepreneurs in economic development is inevitable. Now-a-days entrepreneurs enter not only in selected professions but also in professions like e-commerce, trade, industry and engineering. Entrepreneurs are also willing to take up business and contribute to the Nation's growth. Their roles are also being recognized and steps are being taken to promote entrepreneurship policy that is announced by the State Government of Rajasthan. Entrepreneurs must be molded properly with entrepreneurial traits and skills to meet the changes in trends, challenges global markets and also be competent enough to sustain and strive for excellence in the entrepreneurial arena. Industrial state of Rajasthan on the eve of independence was very poor, but the Government at the center as well as at the state level has made deliberate and concerned efforts to give the industrial structure a modern and mature look by promoting entrepreneurship. Moreover Make in India and youth skill development program have gained lot of momentum now a days. To attract the investment and develop the spirit of entrepreneurship the State Government should take some corrective measures i.e. simplification of licensing system, one desk clearing process, reducing trade barriers, infrastructure development and in order to make Rajasthan as a vibrant state of the nation.

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