

An Analysis of Entrepreneurial Effectiveness among Entrepreneurs

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ABSTRACT

The present paper is investigating the Entrepreneurial Effectiveness among Entrepreneurs in male and female and family background using the “Entrepreneurs Effectiveness Scale” in which Micro, Small and Medium Enterprises (MSMEs) play a key role in the overall economic development of a country. It not only plays a vital role in providing large employment opportunities at comparatively lower capital cost than large industries but also helps in industrialization of rural and backward areas thereby reducing regional imbalances. to acquire knowledge suitable for entrepreneurship; acquire the skills needed to use methods or techniques, analyze solutions and integrate action plans; identify and support entrepreneurial endeavors, skills and talent; develop affinity and support for all unique aspects of the business; create attitudes towards change and support new start-ups and other business activities. Purposive sampling method was used to gather the sample of 120 Entrepreneurs on Entrepreneurs Effectiveness Scale is tabulated. In this research, Family Background and gender taken as independent variables. "2x2 Factorial Design" was used to categorize. The responses of all 120 teachers on Entrepreneurs Effectiveness Scale for Entrepreneurs (EES) are tabulated under adequate subgroups by 2x2 factorial designs. The global look at the source of the gender and Family Background on Entrepreneurs Effectiveness Scale for Entrepreneurs (EES) shows their non- significant difference between genders. It suggests that there is a non-significant difference between effectiveness of entrepreneurs and the years of experience.

Keywords: *Entrepreneurs, MSME's, Effectiveness, Skills, employment*

Micro, Small and Medium Enterprises (MSMEs) play a key role in the overall economic development of a country. It not only plays a vital role in providing large employment opportunities at comparatively lower capital cost than large industries but also helps in industrialization of rural and backward areas thereby reducing regional imbalances. MSMEs are complementary to large industries as ancillary units and contribute immensely to the socio- economic development of the country. MSMEs constitute more than 80% of the total number of industrial enterprises and support industrial development. MSMEs contribute nearly 45% to manufacturing and about 40% to India's export sector. Their contribution to India's GDP is 8% and the sector registered a growth rate

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of 10.8%. (FICCI MSME Summit, 2012). According to the final report of the Fourth All India Census of Micro, Small and Medium Enterprises published in 2006–07 from the number of registered enterprises, the number of micro enterprises alone is about 1.5 million, which is about 95% of the total SME sector. MSMEs generate 9.309 million jobs, of which micro enterprises alone generate 6.534 million jobs, which is about 70% of the total SME sector, and the gross output of the SME sector is 7075.1 billion, of which micro enterprises alone generate 3129.73 billion, which is about 44% of the total. the MSME sector. MSME supports the establishment of micro and small enterprises in the country to create self-employment and enhance the skills of existing and potential entrepreneurs. In order to maintain the pace of generating capacity of self-employed micro- enterprises, especially the first generation of entrepreneurs, an appropriate training method should be developed to not only encourage young entrepreneurs but also equip them to venture into new ventures.

Entrepreneurial education and training

Garavan & O’Cinneide (1994a) listed some of the commonly stated aims of entrepreneurship education and training – to acquire knowledge suitable for entrepreneurship; acquire the skills needed to use methods or techniques, analyze solutions and integrate action plans; identify and support entrepreneurial endeavors, skills and talent; develop affinity and support for all unique aspects of the business; create attitudes towards change and support new start-ups and other business activities.

Garavan & O’Cinneide (1994a) further stated that the formula of most entrepreneurship education and training programs is technical in that it provides a rapid program in those areas and disciplines that are unfamiliar to the participants. Manning (1996) emphasized that training and developing people is the most important of all tasks because there is no other way to be productive, profitable or survive in a new business area. Teke (1997) also emphasizes the role of training in empowering the workforce to be creative and innovative in core business activities.

The key to small business training being effective is to keep it simple. Small segments of ongoing, hands-on type training that allows participants to participate and discuss business matters of common interest seem to produce the best results, and trainers must have business experience, support students and speak their native language if possible.

Language (De Waal 1997). Fayolle (1998) claims that entrepreneurial training programs mostly focus on two areas: - the first is training for budding entrepreneurs, which focuses mainly on the area of knowledge, experience and skills of entrepreneurs, and the second is training those people who will start creating entrepreneurs.

Ladzani & Van Vuuren (1999) found that training interventions in South Africa are designed for personal motivation and entrepreneurial skills. Nieman (2001) stated that entrepreneurship and small business training can be drawn from different perspectives.

The main areas of interest are business skills training, entrepreneurial skills training and technical skills training. Business skills training covers all areas of general management training in a business. Technical skills training seeks to address the ability to use the knowledge or techniques of a particular discipline to achieve certain limits. Entrepreneurial skills training involves the establishment and growth of business ventures and also includes other entrepreneurial characteristics such as creativity and innovation, risk-taking, leadership, need for success, etc. Research conducted by Ibrahim & Soufani (2002) &

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Owusu-Ansah & Fleming (2001) revealed, that entrepreneurs who attended entrepreneurship courses have a high tendency to start their own business compared to those who attended other entrepreneurship courses or did not attend any courses.

Entrepreneurship education programs create high job satisfaction and improve life status. Higher levels of entrepreneurial education attainment lead to higher earnings and lower unemployment rates. Recently, many universities around the world are strengthening their entrepreneurship education programs to create more young entrepreneurs in the future. This kind of education program is constantly being revised to ensure that the structure of the program meets the challenges of the world around it.

Statement of the Problem

The main aim of this research was to study and analyze whether family background have impact on their Entrepreneurial Effectiveness among Entrepreneurs as per working experience.

Objectives of the study

- To study and compare difference between gender and Entrepreneurial Effectiveness (EES) among Entrepreneurs.
- To study and compare difference between Family Background and Entrepreneurial Effectiveness (EES) among Entrepreneurs.
- To study the interaction between Family Background, gender, and Entrepreneurial Effectiveness (EES) among Entrepreneurs.

Hypotheses

- There will be no significant difference between gender and Entrepreneurial Effectiveness (EES) among Entrepreneurs.
- There will be no significant difference between Family Background and Entrepreneurial Effectiveness (EES) among Entrepreneurs.
- There will be no significant differences between Family Background, gender, and Entrepreneurial Effectiveness (EES) among Entrepreneurs.

Variables

Independent variable

- Gender: Male & Female

Dependent variable

- Entrepreneurial Effectiveness Scale (EES)

Control Variable

- Equal number of samples was chosen as male and female Entrepreneurs.
- Rapport was established and simple instruction were given before filling up the test,
- Entrepreneurs are selected as a sample from Ahmadabad, Gujarat only. Standardized test was used.
- Consent was taken from all subjects before filling up the test.
- Purposive sampling was done for Entrepreneurs as per Business Background and Non-business background families.

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Methods Participants

To measure Entrepreneurial Effectiveness among Entrepreneurs.; sample were selected total of 150 subjects were approached, 120 subjects gave consent to proceed. Out of 150 subjects 120 subjects were selected who fit into the criteria and who have completed the questionnaire appropriately. No detailed information is available for Entrepreneurs who did not participate in the study. In the present study the range of Family background of the sample were business background and business background, and the data analyses were undertaken for $n = 120$ (30 are males and 30 are females). The distribution of gender is in equal proportion.

Measures

The aim of the resent research study is to assess the level of Entrepreneurial Effectiveness among Entrepreneurs in both male and female by using the EES Scale. It is a 25-item questionnaire measuring global Entrepreneurial Effectiveness. The age range of this scale can be construct on the Quality of life for all age groups. The items are rated on a seven-point Likert scale, ranging from (1) Extremely high to (7) Extremely low where higher sum score on the scale indicates higher levels of global Entrepreneurial Effectiveness. EES is found to be overall response rate was 53%. Of those who responded, 348 (98%) fully completed EES. For population samples $r=0.97$. These correlations are within the desired limits, which supports the validity of $r=0.988$ in this global score.

Procedure

To obtain the sample group, official permission was taken from the authorities in changes from different places from Ahmedabad city, Gujarat. Followed by a brief rapport, an informed consent was obtained from each subject promising confidentiality and anonymity. The tool was then administered after giving relevant instructions and ensuring that the subject has understood them. Privacy and comfortable atmosphere were ensured throughout the data collection. All the subjects were thanked for giving their valuable time and consent to participate in the study. After completion of data collection, a response of each respondent on the entire tool was scored with the help of respective scoring keys.

Statistical Analysis:

Obtained information is analyzed using:

- **Inferential statistics** – Two-way analysis of variance (ANOVA) Obtained information will be analyzed as per 2x2 ANOVA method.

RESULTS

The responses of all 120 Entrepreneurs on Entrepreneurial Effectiveness Scale (EES) are tabulated under adequate subgroups by 2x2 factorial designs. Mean scores of each group were calculated and tabulated group wise. All these scores were then analyzed by adequate statistical technique of Two-way analysis of variance to examine main and interaction effect of two Independent variables. Result of this research study have been interpreted, discussed and presented in form of tables.

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Table: 1 The result of ANOVA of Entrepreneurial Effectiveness among Entrepreneurs

Source of Variation	SS	df	MS	F	P-value	Level of Significant
Family Background	11.4	1	3.8	1.755	0.159	NS
Gender	7.5	1	7.5	3.465	0.065	NS
Family Background * Gender	41.36	1	13.78	6.371	0.0005	S
Error	242.4	116	2.164			
Total	302.66	119				

NS (Not Significant) / S (Significant)

Table shows that the result of ANOVA of Entrepreneurial Effectiveness among Entrepreneurs in both male and females. The F-ratio between the Family Background is 1.755($p=0.159$) which is not significant at 0.05 level of significance.

The both the gender having the F-ratio of 3.465($p=0.065$) which is not significant. It means that the male Entrepreneurs do not differ from the female Entrepreneurs.

The interaction between the gender and the family background having the F-ratio of 6.37($p=0.0005$) which is significant. It means that the both gender and Family Background of Entrepreneurs differ from each other. Furthermore, it is found that experience from the family business and the level of education significantly influence the intention to start one's own business. Therefore, developing a business plan through education from a graduate will be the right approach to help teenagers understand and promote an entrepreneurial attitude in developing countries.

DISCUSSION

The findings show that the variables business plan, risk thinking, and self-efficacy are significantly related the effectiveness of the business program and at the same time the variable needs of achievement and locus of control are not significant. These findings reveal a relationship between the factors of business plan, risk thinking and self-confidence, effectiveness and efficiency of the business program, which is an increase in the business plan, risk thinking and self-efficacy will lead to an increase in the level of effectiveness of the business program. In addition, for the government to increase the level of effectiveness of the entrepreneurship program should emphasize the elements and content of the syllabus which are related to the need for achievement and focus management.

The need for success factor will lead to a productive, happy and well engaged workforce. So, universities and other higher education institutions should adjust their learning outcomes to ensure that students can learn more about the importance of entrepreneurial skills and will benefit them in the future.

The university also needs to educate students about the essence of the entrepreneurship program. Ahmed (1985) states that the locus of control is a person's ability to believe what they can control based on themselves. This element is a must for any young person who could be an entrepreneur in the future. Fagbohunbe & Jayeoba (2012) determine locus of control as a term that refers to the degree to which an individual takes or feels responsible for success or failure in one's life, as opposed to feeling that external factors such as luck are in control.

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In addition, Nieuwenhuizen & Machado (2004) deeply discuss locus of control, which is actually scope in which one perceives oneself to be within or beyond personal control and understanding. So, I have suggestions and recommendations for the future improvement of business education program. First, the study of entrepreneurship should begin at the elementary school level. That's for the purpose expose students to entrepreneurship at a very young age. The basics of business should be introduced to gain their interests in this area. Similar education should also continue at the secondary level, where the process will include the basic steps to start and enter the world of entrepreneurs, the role of entrepreneurs in reality and soon.

CONCLUSION

In conclusion, developing entrepreneurial effectiveness skills is essential for our future success. Universities and other higher education institutions should be ideally positioned to expose students to environments that support them an entrepreneurial mindset and the effectiveness of entrepreneurial programs are important keys to greater production young entrepreneurs in the future. The program itself can raise our young generation to be more productive after them graduation from university. Rather than becoming unemployed, it is good to channelize their creativity and energy for business, which is now becoming a valuable field in this world. As mentioned previously other countries are now working hard to develop their youth in business. As developing India should do the same to improve and develop the country's economy. If this property is in use in the right way, they can not only generate their own income but also help our country to strengthen its economy development. It all starts with education.

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Conflict of Interest

The author(s) declared no conflict of interest.

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