A STUDY OF FACTORS MOTIVATING THE RESPONDENTS TO VENTURE IN TO MICRO ENTERPRISES

Dr. K. Vanitheeswari*   K. Mathan Kumar*
*Assistant Professor of Commerce, PG and Research Department of Commerce, C.P.A College, Bodinayakanur.

Abstract
This paper gives a brief analysis of the factor motivating the respondents to venture in to micro enterprises. This study is an empirical research. Data were collected from 300 respondents and a sample size of 60 each from of all the five Taluks. The researcher used convenient sampling method to collect data from the sample respondents. First hand data were collected from the entrepreneurs of micro enterprises directly by the researcher himself with the help of an interview schedule. Secondary data are collected from journal, maganize, newspaper, and relevant books and web site. Percentage analysis and rotated matrix were used to analyse the data. The study in Theni district from December 2016 to April 2017. This paper reveals that out of twenty variables the five factors were extracted namely "Family Impact", "Human Relations", "Leadership and Motivation", "Scientific Orientation", "Sociability", All the attributes are formed under each factor had high associations. High value of Kaisar-Meyer-Olikin measure of sampling adequacy (0.705) indicates the correlation between the pairs at variables explained by other variables and thus factor analysis was considered to be appropriate in this model. Cronbach's Alpha is more than 0.65 in all factors. The researcher interested to find out what are the factors influencing to passenger train travel.

Keywords: Micro Enterprises, Rotated Matrix.

Introduction
Entrepreneurism is the life blood of any economy. An entrepreneur is the one who takes initiative and establishes an economic activity or an enterprise. A number of social scientists have stated that entrepreneurship is the key variable which links the socio-cultural milieu with the rate of economic development. The word 'entrepreneur' appeared in the French Language long before the emergence of the concept of the entrepreneurial function[1]. In the 18th century the word was used to refer to economic activities. Arthur. H. Cole: defines entrepreneurship as the purposeful activity including an integrated sequence of decision of an individual or a group of associated individuals, undertaken to initiate, maintain or develop a profit-oriented business unit for production or distribution of economic goods and services.Arthur H. Cole maintained that the function of an entrepreneur include various aspects of managing an enterprise like outlining the objectives of the enterprise, securing adequate financial resources, requesting technological equipment, developing market for products, introducing new products and maintaining good relations with public authorities and society at large. Schumpeter viewed the entrepreneur as an innovator, whereas knight saw him as a risk and uncertainty bearer. Entrepreneurs are important agents in the process of economic development. In most industrialized nations, entrepreneurship has been a key to growth in productivity and per capital income[2]. Richard Cantillon and Irishman living in frame were the first to introduce the form entrepreneur and defined it as an agent who buys factors of production at certain prices in orders to combine them into a product with the view of selling it at certain prices in future[3]. Entrepreneur is an economic agent who plays a vital role in the economic development of a country. He aims at the steady growth of the income levels and he is an individual with knowledge, skills initiative, drive and sprit of innovation in achieving the goals[4]. Entrepreneurship is a dynamic activity which helps the entrepreneur bring changes in the process of production, innovation in production, new usage of materials, creator of markets and like[5]. It is a mental attitude to foresee risk and uncertainty with a view to achieve strong motive. It also means doing something in a new and effective manner[6]. The concept of entrepreneurship has been around for a long time, but its resurgent popularity implies a sudden discovery as if he had stumbled on to a new direction for American enterprise. This is a myth. America was discovered by entrepreneurs. Every country is being well shaped by entrepreneurs. As an impact of entrepreneurial activities countries became world powers entrepreneurism[7].

---

[1] . *Padmaja Mishra "Women Entrepreneur: Are They Enterprising and Empowered and Enough", Research Studies, p. 142.*

[2] . *Arthur H. Cole, "Business Enterprises in its Social Setting, Harvard University Press, 1959, p. 44.*

[3] . *Suhir Sharma, Balary Sing and Sandeep Singhal, "**Entrepreneurship Development**", Wisdom publication, Delhi, 2005. P.1.*

[4] . *S. Anil Kumar, S.C. Poornima, Mini K.Abraham, "**Entrepreneurship Development**", New Ahe International Publishers, Delhi, 2003, p.1.*

[5] . *Sudhir Sharma, op. Cit., P.1*

[6.] *Anil Kumar. S., op. Cit., P.1*

[7.] *Sudhir Sharma, op. Cit., P.1.*

Statement of the Problem

Micro enterprises forming part of 'Small and Medium Enterprises'(SMEs) play a vital role in the economy of a developing country by providing employment and income generation opportunities on a sustainable basis and contributing significantly to the national income. With the economic reforms sweeping many of the developing countries, the focus is on countries like India, China, South Korea, Philippines, Indonesia, Pakistan, Taiwan, Thailand and the like. In India large, medium and small enterprises have grown under condusive industrial policies, followed by the Central and State government. While a number of large scale enterprises are in the public sector, almost all the small scale ones are in the private sector. We have in between medium enterprises overlapping in both the sectors.An entrepreneur is a qualified person with some innovative idea. He/she has the will to implement his/her idea but lacks guidance and expertise. He/she may lack technical know-how, finance, marketing knowledge, guide lines, managerial techniques, and the like. In case of micro enterprises, the lack of awareness, exposure and opportunities are also added with the above problems. So, a micro level planning is very essential to improve the performance of micro-enterprises and the standard of living of the entrepreneurs. Therefore, there is a need for total change in the socio-economic, physical and psychological aspects of micro entrepreneurs. It is highly useful to the policy makers to frame a suitable policy to make the micro entrepreneurs perfect entrepreneurs.The micro entrepreneurs are not persons who have thorough knowledge about entrepreneurship. The entrepreneurship which is lacking among the entrepreneurs in micro enterprises is essentially a function, creativity and behaviour productivity. It is a trait, like willingness to take risk, high economic and achievement motivation, self-confidence, problem-solving disposition, enterprises involvement, managerial abilities and the like. Due to lack of the above said traits, the micro enterprises cannot be used by any business factors but by the managerial factors. Due to this the drive to start any micro enterprise is also getting reduced among the rural poor. Hence, the present study intends to focus on the entrepreneurial traits with them in uplifiting entrepreneurs and the various problems faced by the micro entrepreneurs, methods to rectify these problems in future and also pave way for others to start such types of enterprises. So, the researcher interested to find out what are the factors motivating the respondents to venture in to micro enterprises. Based on the above discussion the researcher has raised the following research question?

- What are the factors that motivating the respondents to venture in to micro enterprises

Objectives of the Study

To analyze the factors motivating the respondents to venture in to Micro Enterprises.

Reviews and Literature

Neelaveni. S., Rambabu, R. and Venkata Raman et. al., (2000) found that age is a significantly and negatively associated variable with development priorities. As age increases, energy declines and hence attention in management of activities in agribusiness declines. This might be the plausible reason for the above trend. As mass media consumption and extension contact increase, exposure to new technologies in agribusiness management increases thereby gaining attention in management of activities of agribusiness increases[8].

Aravinda. C. H. and Renuka. S (2007) identified the important factors which motivated the women towards entrepreneurship so as to be interested in the particular area of enterprise and seek inspiration from other successful entrepreneurs. The facilitating factors that have an impact on maintaining the enterprises successfully were self-experience, interest, family's help and support. Women entrepreneurs, in general, face conflicts in their roles in work place and home. The main conflicts in work place pertain to inability to expand the enterprise by optimum utilization of available skills. [9]

Nanda (1999) conducted impact studies of 'Self Help' and found that the most outstanding impact of the linkage programme could be the socio-economic empowerment of the poor, more particularly the women[10].
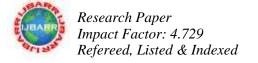
Methodology of the Study

This study is an empirical research. First hand data were collected from the entrepreneurs of micro enterprises directly by the researcher himself with the help of an interview schedule. Secondary data are collected from journal, maganize, newspaper, and relevant books and web site. The researcher conducted a field study in Theni district from December 2016 to April 2017. Theni District consist of five taluks namely: Theni, Periyakulam, Andipatti, Bodinayakanur and Uthamapalayam. Data were

[8] . Neelavani. S Rambabu. P and Venkata Ramaiah. P, "Analysis of the Development Priorities of Farm Women in Agribusiness Management (ABM)", The Andra Agriculture Journal, 47(3&4), 2000, pp: 245-248.

[9] . Aravinda. C. H. and Renuka. S, "Women Entrepreneurs: An Exploratory Study", **Public Opinion**, 47(5), February 2002, pp: 27-28.

[10] . Nanda. Y. C., "Linking Banks and Self Help Groups in India and Non-Governmental Organisation: Lesson Learned and Future Prospects", **National Bank News** Review. 15(3), 1999. Pp. 1-9.

collected from 300 respondents and a sample size of 60 each from of all the five taluks. The researcher used convenient sampling method to collect data from the sample respondents.

Analysis and Interpretation

Table1: Socio Economic Conditions of the Sample Respondents

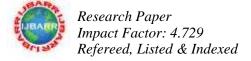| Age	Number of Respondents	Percentage
Less than 20	46	15
20-30	69	23
30-40	102	34
40-50	83	28
Total	300	100
Gender	**Number of Respondents**	**Percentage**
Male	222	74
Female	78	26
Total	300	100
Level of Education	**Number of Respondents**	**Percentage**
Up to 8th std	84	28
10th std	78	26
12th std	52	17
Degree/others	36	29
Total	300	100
Marital Status	**Number of Respondents**	**Percentage**
Married	262	87
Unmarried	38	13
Total	300	100
Nature of Family	**Number of Respondents**	**Percentage**
Nuclear type	252	47
Joint type	48	16
Total	300	100
Family Size	**Number of Respondents**	**Percentage**
2	37	12
3	60	20
4	155	52
5	48	16
Total	300	100
Number of Earning Members	**Number of Respondents**	**Percentage**
1	111	37
2	88	30
3	49	16
4	52	17
Total	300	100
Personal Income	**Number of Respondents**	**Percentage**
Up to Rs10,000	156	52
Rs10,000-Rs30,000	102	34
Rs30,000-Rs40,000	18	6
Rs40,000-Rs50,000	6	2
Above Rs50,000	18	6
Total	300	100
Nature of Business	**Number of Respondents**	**Percentage**
Manufacturing	52	17
Trading	66	22
Servicing	182	61
Total	300	100

Source: Primary data

Table 1 makes it clear that 46 (15%) respondents fall under the category of less than 20 years, 69 (23%) respondents fall between 20 and 30, 102 (34%) respondents fall between 30 and 40, 83 (28%) respondents fall between 40 and 50 years. The out of 300 respondents, 222 (74%) of them are males, 78 (26%) of them are females. The 84 (28%) of them have had education up to 8th std, 78 (26%) up to 10th std, 52 (17%) up to 12th std, and 36 (29%) respondents have degree/others of level of education. The out of 300 respondents, 262 (87%) of them were married and the 38 (13%) respondents were unmarried. The out of 300 respondents, 252 (47%) of them have nuclear type of family followed by 48 (16%) respondents with joint family. The 300 respondents, 37 (12 %) respondents belong to 2 members category 60 (20%) respondents belong to 3 members category 155 (52%) respondents belong to 4 members category, 48 (16%) respondents belong to 5 members category with respect to the size of the family. It is found that 111 (37%) respondents under 1 member category, 88 (30%) respondents come under 2 member category, 49 (16%) respondents come under 3 member category, 52 (17%) respondents come under 4 member category in the number of earning members in a family. The total respondents 112(37%) respondents earned up to Rs 10,000 every month whereas 70 (23%) respondents earned between Rs 20,000-Rs 30,000, and 32 (11%) respondents between Rs 30,000 and Rs 40,000 and 86(29%) respondents above Rs 40,000. The study reveals that 52 (17%) respondents were involved in manufacturing, 66 (22%) respondents in trading and 182 (61%) respondents in servicing activities.

Factor Analysis
Mathematically, factor analysis is somewhat similar to Multiple Regression Analysis. Each variable is expressed as a linear combination of underlying factors. The amount of variance, a variable shares with all other variables included in the analysis is referred to communality. The Co-variation among the variables is described in terms of a small number of common factors plus a unique factor of each variable. These factors are not over observed. If the variables are standardized, the factor model may be represented as:

$$X_i = A_{ij} F_1 + A_i 2F_2 + A_i 3F_3 + \ldots\ldots\ldots + A_{im} F_m + V_i U_i$$

Where,
X_i = i^{th} standardized variable.
A^{ij} = standardized multiple regression co efficient of variable i on Common factor.
F = Common factor
V_i = Standardized regression co efficient of variable I on unique Factor i.
U_I = The unique factor for variable i.
m = Number of common factors.

Unique factors are uncorrelated with each other and with the common factors. The common factors themselves can be expressed as linear combinations of the observed variables.

$$F_i = W_{i1} + X_i + W_{i2}X_2 + W_{i3}x_3 + \ldots\ldots\ldots + W_{ik} + X_k$$

Where
F_i = Estimate of I factor
W_I = Weight or factor score coefficient
K = Number of variables

It is possible to select weights or factor score coefficient, so that the first factor explains the largest portion of the total variance. Then a second set of weight can be selected so that the second factor accounts for most of the residual variance, subject to being uncorrelated with the first factor. This same principle could be applied for selecting additional weights for the additional factors. Thus, the factors can be estimated so that their factor scores, unlike the value of the original variables, are not correlated. Furthermore, the first factor accounts for the highest variance in data, the second factor the second highest and so on.

Rotated Factor Matrix to Start Micro Entrepreneurs
The rotated factor matrix to the start micro enterprises in Theni district is given in Table 2.

Research Paper
Impact Factor: 4.729
Refereed, Listed & Indexed

IJBARR
E- ISSN -2347-856X
ISSN -2348-0653

Table 2: Rotated Factor Matrix for Factors Motivating to Start Micro Enterprises

S. No	Variable	Factor I	Factor 2	Factor 3	Factor 4	Factor 5
1	Advice of friends	0.847	-0.045	0.289	0.059	-0.062
2	Family members advice	0.807	0.133	-0.166	0.102	0.126
3	Government assistance	0.704	0.146	0.310	0.108	-0.418
4	Family problems	0.499	0.197	-0.001	0.291	0.269
5	Need for achievement	0.163	0.848	0.010	-0.048	0.111
6	Family upliftment	-0.021	0.641	0.417	0.225	-0.239
7	Income generation	0.228	0.599	-0.211	0.361	0.083
8	Support from the spouse	0.145	-0.089	0.789	0.119	-0.104
9	Pride of ownership	0.029	0.132	0.737	-0.139	0.214
10	Self Help Group	0.045	0.063	0.046	0.901	0.008
11	Unemployment	0.185	0.137	-0.035	0.665	0.258
12	Social recongnitions	0.031	-0.148	0.193	0.267	0.784
13	Financial crisis	0.523	0.283	0.062	-0.182	0.539
14	Leading an independent life	-0.092	0.320	-0.345	0.221	0.529

Source: Computed Data

The above Table 2 exhibits the rotated factor loading for fourteen statements (reasons) of micro entrepreneurs. It is clear from the Table 2 that all the fourteen statements have been extracted into five factors.

Factor 1, The variables responsible for 'Family Impact' are presented in Table 3

Table 3: Family Impact

S. No	Variable	Factor Loading	Communality (H2)	Cronbach's Alpha
1	Advice from friends	0.847	0.809	
2	Family member advice	0.807	0.722	
3	Government assistance	0.704	0.799	0.730
4	Family problem	0.499	0.444	

Source: Computed data

Among the reasons of micro enterprise, the reason "Advice from friends", "Family member advice", "Government assistance", "Family problem" constituted Factor – I, with higher factor loading. The above said reasons for micro enterprise with higher factor loading on factor – I, are characterized as, "Family Impact". It is to be concluded that family impact is an important factor which has an impact on developing entrepreneurship among the micro entrepreneurs. The included four variables explain this factor to the extent of 73.00 per cent.

Factor 2, The variables responsible for 'Human Relations' are presented in Table 4
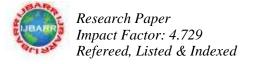
Table 4: Human Relations

S. No	Variables	Factor Loading	Communality (H2)	Cronbach's Alpha
1	Need for achievement	0.848	0.760	
2	Family upliftment	0.641	0.693	0.693
3	Income generation	0.599	0.593	

Source: Computed data

The above Table 4.3 indicates that the reason "Need of achievement", "Family upliftment", "Income generation" constituted factor – 2, with higher factor loadings. The above said reason of enterprise with higher factor loading on factor – II are characterized as "Human relation". The included three variables explain this factor to the extent of 69.30 per cent.

Factor 3, The variables responsible for 'Leadership and Motivation' are presented in Table 5

Table 5: Leadership And Motivation

S. No	Variables	Factor Loading	Communality (H2)	Cronbach's Alpha
1	Support from the spouse	0.789	0.676	
2	Pride of ownership	0.737	0.627	0.659

Source: Computed data

Among the variables of motivation, the variables "Support from the spouse", "Pride of ownership", constituted Factor 3 with higher factor loading. The higher factor loading of the variables indicate that the factor 3 underlies the above two variables. The high ccmmunality value of the variables indicate that the variables within the factor 3 have very high association among them. All two variables in this factor explain it to the extent of 65.90 per cent. The degree of the factor 'Leadership and Motivation' in motivating the entrepreneurs.

Factor 4, The variables responsible for 'Scientific Orientation' are presented in Table 6

Table 6: Scientific Orientation

S. No	Variables	Factor Loading	Communality (H2)	Cronbach's Alpha
1	Self Help Group	0.901	0.812	
2	Unemployment	0.665	0.563	0.671

Source: Computed data

Among the variables of motivation, the variables 'Self Help Group', and 'Unemployment' constituted Factor 4 with higher factor loading. The higher factor loadings of the variables indicate that the Factor 4 underlies the above two variables. The high communality value of the variables indicate that the variables within the Factor 4 have very high association among them. The two variables in this factor explain it to the extent of 67.10 per cent. The degree of motivation of the factor 'scientific orientation' in motivating the micro enterprises.

Factor 5, The variables responsible for 'Sociability' are presented in Table 7

Table 7: Sociability

S. No	Variables	Factor Loading	Communality (H2)	Cronbach's Alpha
1	Social recognition	0.784	0.764	
2	Financial crisis	0.539	0.681	0.711
3	Leading independent life	0.529	0.559	

Source: Computed data

Among the enterprises the 'Social recongnition', 'Financial crisis', and 'Leading independent life', constituted factor -5, with higher factor loading. The above said enterprise with higher factor loading on factor – 5 are characterized as "Sociability". It is to be concluded that sociability is an important factor which has sociability developing entrepreneurship among the Micro entrepreneurs. The included three variables explain this factor to the extent of 71.10 per cent.

Factors Motivating to Start Micro Enterprises
Factor analysis of fourteen attributes related to the motivation to start micro enterprises identified five factors and the results are presented Table 8

Table 8: Factors Motivating To Micro Enterprises

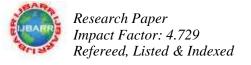| S. No	Factor	Eligen Value	Percentage of Variance	Cumulative Percentage of Variance
1	Family Impact	3.436	24.544	24.54
2	Human relations	2,134	15.244	39.79
3	Leadership and Motivation	1.376	9.826	49.61
4	Scientific Orientation	1.345	9.607	59.22
5	Sociability	1.201	8.580	67.80

Source: Computed data

Kaiser – Meyer – Olkin Measures of Sampling Adequacy : 0.705
Bartlett's Test of Sphericity

Chi-Square	: 1500.989
Degree of freedom	: 91
Significance	: 0.000

Conclusion
The role of micro enterprises in solving unemployment problem in India is commendable. It is for this reason the government is extending its helping hand in the development of these micro enterprises. In this competitive world, these enterprises should ensure their continuous existence. In this regard, micro enterprises doing similar businesses should form clusters at

the district level so that these units may take unified and concerted efforts in marketing of their products. The government should recognise these clusters which will give micro enterprises good leverage in availing bank loans. These measures in the long run may give competitive edge in facing competitions from bigger units.

References
1. Padmaja Mishra "Women Entrepreneur: Are They Enterprising and Empowered and Enough", Research Studies, p. 142.
2. Arthur H. Cole, "Business Enterprises in its Social Setting, Harvard University Press, 1959, p. 44.
3. Suhir Sharma, Balary Sing and Sandeep Singhal, "Entrepreneurship Development", Wisdom publication, Delhi, 2005. P.1.
4. Kalbash, C. Women and Development, Discovery Publishing House, New Delhi, 1991, pp.1-3.
5. Country Report-(1995). Fourth World Conference on Women, Beijing, 1995, Government of India, Development of Women and Child Development; Ministry of Human Resource Development, pp.230-231.
6. Rajasustus, E and Mahiba, M. (2000), "Participatory Micro Enterprise". Kvrushetra, 49(3),pp.19-22.
7. Thangamani, K. and Umapriya (2001), "Impact of Micro Enterprises Undertaken by Women Beneficiaries of Loan. Fund Scheme of Avinashilingam Trust". Journal of Extension Education, pp.81-84
8. John Kao and Harard Stevenson (deds)., Entrepreneurship- What It Is and how to Teach It, Harvard Business School, 1984, p.7.
9. B. Higgins. "The Economic Development", p.219.
10. Js, rd, Y. Mc Crony; Small Industry is a North Indian Town-Case studies in Latent Industrial Potential, Ministry of Commerce and Industry, Govt. of India, New Delhi, 1956.
11. B. C. Tandon, Environment and Entrepreneur; Chigh Publication, Alahabad 1975, pp: 47-53
12. MC. Clelland, The Achieving Society, The free press, New York, 1961.