Skill Sets of Successful Rural Entrepreneurs in Central Districts Tamilnadu

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Abstract

This article attempts to analyze the skill sets required by rural entrepreneurs for succeeding in their business. The present study is carried out in Central Districts of Tamilnadu comprising of Salem, Dharmapuri, Perambalur, Namakkal, Karur, Trichy, Krishnakiri and Erode. The questionnaire method is employed for collecting data pertaining to the study. Questionnaire comprising of eight dimensions of skills are Group Skills, Technical Skills, Business Skills, Personal Entrepreneurial Skills, Behavioral Skills, Communication Skills, Listening Skills and Soft skills, have been identified from previous literatures. By employing convenient sampling, the data are gathered from 540 entrepreneurs. Factor analysis is used as statistical tool for analysis. The findings of the study show that entrepreneurial skills, technical skills, soft skills, communication skills, business skills and group skills are the significant abilities possessed by entrepreneurs for their success.

Key Words: Business success, entrepreneurship, MSME, skill-related factors.
1. Introduction

Day-by-day numerous persons make steps towards for instituting their own business, but only a small amount of people are able to be successful in their business. The majority of rural entrepreneurs have been defeated in their business due to be short of some skills requirement. Naturally, a business should possess knowledge on their pertinent business area. However, in some component of skill requirements they are lagging, which leads to have an effect on the business of rural entrepreneurs. Therefore, with the intention to stay alive in the business for a longer run entrepreneurs’ have to improve their knowledge on an assortment of skills sets like group skills, technical skills, business skills, personal entrepreneurial skills, behavioral skills, communication skills, and listening skills. Rural entrepreneurs occupy an important place in bridging the gap, unemployment and under employment problem in our country that exist in our country. Industrialization has corroborated to be a growth engine for an economy. It aids in restriction on many problems encountered in the path of development of the country. Rural entrepreneur alone contributes 45% towards industrial production and 27% of exports and it forms part of about 41.80% of the total industrial units in the country. Thus, this sector is a major employment provider next to Agriculture.

Considering the role of MSME in the State’s economy, the Small Industries Department was carved out the Industries Department with effect from 14.7.1993. In response to the long standing demand of the MSME Sector and considering the need to provide a legal frame work to address their developmental concerns, the Government of India enacted the Micro, Small and Medium Enterprises Development Act, 2006 on 2.10.2006. Consequently, the erstwhile ‘Small Industries Department’ has been renamed as ‘Micro, Small and Medium Enterprises Department’ in consonance with the Government of India policy with effect from 22.02.2008. Micro, Small and Medium Enterprises Department deals with policy matters relating to the Micro, Small and Medium Enterprises sector and formulates new schemes for development of the Micro, Small and Medium Enterprises Sector in the State. The Commissionerate of Industries and Commerce, the Entrepreneurship Development Institute (EDI) and two State Public Sector undertakings i.e., the Tamil Nadu Small Industries Development Corporation Limited (TANSIDCO), and the Tamil Nadu Small Industries Corporation Limited (TANSI) are functioning under the administrative control of MSME Department.

The Commissione rate of Industries and Commerce implement various schemes for the development of industries in general and Micro, Small and Medium Enterprises in particular through the General Manager, District Industries Centres and the Regional Joint Director of Industries and Commerce, Chennai. This Commissione rate implements a variety of programmes related to the promotion, development and modernization of industries, up-gradation of technology and quality control by providing financial assistance, technical
support and guidance to the Micro, Small and Medium Enterprises. The Tamil Nadu Small Industries Development Corporation Limited (TANSIDCO) promotes Industrial Estates for Micro, Small and Medium Enterprises sector. The Tamil Nadu Small Industries Corporation Limited (TANSI) is in the manufacturing line which produces furniture, structural and hand pumps. The Entrepreneurship Development Institute is a Training Institution providing entrepreneurship training to the prospective entrepreneurs.

An entrepreneur has to identify right business with the intention to earn profits. The success of an entrepreneurs’ not only rely on establishing a business units but also depends on sustaining in a business for a longer period of time. Thus, the survival of entrepreneurs depends on entrepreneurship skills possessed by them. Entrepreneurship is ‘a person’s ability to turn ideas into action. It comprises creativity, innovation and risk-taking, as well as the ability to plan in order to achieve their objectives’. Entrepreneurship skills can be used across people’s personal and working lives as they include certain skills Group Skills, Technical Skills, Business Skills, Personal Entrepreneurial Skills, Behavioral Skills, Communication Skills, Listening Skills and Soft skills, which impact the entrepreneurial intent and entrepreneurial competence of an individual.

2. Review of Literature

Markman and Baron (2003) mention that entrepreneur’s success depends on self-efficacy and capability in utilizing business opportunities and determination. Mc Larty and Dousios (2006) point out that the term skill denotes idea generation and ability to carry out business in a well manner. Brush (2008) in his study lists out three major skills possess by entrepreneurs for their success are visioning, bootstrapping, and social skills. Haber and Reichel (2007) report that sustainability of small business depends on entrepreneurial skills possess by a businessmen. Herron (1990) states that business, leadership, networking and technical skills are required for a successful entrepreneur. Chandler and Hanks (1994) indicate that entrepreneurs should have interpersonal skills like potential of managing employees and maintaining harmonious relations with their customers. Abbasi, Siddiqi and Rahatul Ain (2011) find that communication skills assist entrepreneurs to maintain trade relations and to successfully contest in the market. Dafna (2008) concludes that entrepreneurs, who possess leadership skills could bring about changes and innovations in their business venture. Shaw et al. (2010) in his study states that the success of entrepreneurs is a function of his attitude, skills and environmental factors. Rai and Dubey (2012) confirm that the skills required by the entrepreneur are (i) Technical Skills, involving monitoring environment, technical business management, interpersonal relationship, listening, network building and management style (ii) Business Management Skills, involving effective communication, planning and goal settings, decision making, human relations, marketing, finance, accounting, control, negotiation, venture launch and managing growth and (iii) Personal Entrepreneurial Skills,
involving control over oneself, risk taking, innovativeness, change oriented, persistency, innate qualities. According to Meher and Sahoo (2008), the communication skills, technological skills and the marketing skills of an entrepreneur affect entrepreneurial success. Although the existing literature signifies entrepreneurial skills as an essential part of entrepreneurial success, it is pertinent that less work has been done in the context of India. Thus, the present study adds to the literature by identifying other important skill-related dimensions and analyzes its effect on entrepreneurial success in the Central districts of Tamilnadu.

3. Statement of the Problem

Rural entrepreneur acts as a stepping stone for economic development of a county. Entrepreneurs are one who takes appropriate decisions for managing risk and uncertainties that prevails at any form of business. In reality, entrepreneur faces countless problems while setting up an enterprise like financial (Brijesh Patel and Kirit Chavda, 2013) and technical (Dilip Ch. Das, 2014). Now-a-days, State and Central Governments and few private agencies are extending training programmes on technical skills relevant to their industry. Failure of start-up and existing units leads piling up of unemployment rate and deteriorates economic growth. Thus, success of rural entrepreneurs’ not only depend on technical skills he / she possesses but also technological soundness and leadership qualities (Deepa Katiyal, 2017).

Day-by-day numerous people establishing their business units in Central districts of Tamilnadu. Whereas, only few persons have succeed in the longer run and the rest lost their business. The reason for their failures may be lack of group skills, technical skills, business skills, personal entrepreneurial skills, behavioral skills, communication skills, and listening skills. Thus, in this present study an attempt has been made to ascertain the skill sets required by rural entrepreneurs for their survival.

4. Objective

To ascertain the skill sets required for a Successful Entrepreneur in central districts of Tamil Nadu.

5. Methodology

Data

Data required for the study is primary in nature. The primary data have been collected by employing Questionnaire.

Area of Study

The present study is confined to rural entrepreneurs of Central Districts of Tamilnadu namely Salem, Dharmapuri, Perambalur, Namakkal, Karur, Trichy, Krishnakiri and Erode.
Sample Design

By adopting convenient sampling method the required data are gathered from 540 entrepreneurs.

Skill Sets of Entrepreneurs

Group Skills

In business many people are involved to make up the output, as an entrepreneur he/she should lead the working groups in a smooth way. Only a very few entrepreneurs possess such skills and abilities, which is very essential for making a quality output.

Technical Skills

Entrepreneurs who want to start a business must have thorough knowledge on technical aspects of business. During the course of establishment of a new business entrepreneurs may face numerous problems. In order to overcome the problems and also to survive the entrepreneurs must have sound knowledge on each and every aspects of business.

Business Skills

A successful entrepreneur must be an expert in the area of sales, ascertaining competitor’s strategy and customer’s expectations, because without these knowledge an entrepreneur does not expertise in the field of his/her own business.

Personal Entrepreneurial Skills

Entrepreneurs in order to manage their business effectively must have certain personal traits like self-control, persistent, risk-taking ability and adoptability to change, which leads to improve their business result.

Behavioral Skills

Behavioural skills refer to the reflective ability of the individual in relation to the characteristics of the situations he or she may come up against. This ability of an entrepreneur to face the organizational issues arises on time to time, these issues may come from employees, market, or from other external factors, these skills can shape the entrepreneurs’ thought like motivating others, resilience, team spirit, initiation, judgment etc., generally all the common people do not have these kinds of behavior and in an organization, the entrepreneur must give respect to all the stakeholders feelings.

Communication Skills

At present, numerous mediums are available to communicate business transactions in time.

Thus, an entrepreneur must have thorough knowledge on their effective utilization. Thus, communication skill assists entrepreneur in clearly communicating their business plans.
Listening Skills

An entrepreneur should be a good listener. Listening implied ascertaining the market condition and identifying their customer’s taste and preference. On ascertaining the prevailing market and customer behavior, an entrepreneur may introduce necessary innovation on their business. Thus, a complete entrepreneur should listen actively, and pay more attention to customer’s expectations.

Soft Skills

Soft skills is a subtle behaviors. The communication styles make a working environment and build an effective management in business. For improving soft skills ability an entrepreneur should learn thoughts, through learning they may expertise them with good knowledge, clarity in expressions, and take the lead in any business task.

Framework of Analysis

The collected data have been analyzed by making use of Factor analysis.

6. Findings

Table 1: KMO and Bartlett's Test

<table>
<thead>
<tr>
<th>Kaiser-Meyer-Olkin Measure of Sampling Adequacy</th>
<th>.803</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bartlett's Test of Sphericity</td>
<td>Approx. Chi-Square</td>
</tr>
<tr>
<td>df</td>
<td>28</td>
</tr>
<tr>
<td>Sig.</td>
<td>.000</td>
</tr>
</tbody>
</table>

(Source: Primary Data)

To ascertain prominent skills required for entrepreneur’s success, factor analysis is employed. The following table demonstrates the facets of skill sets that are believed to be important by the entrepreneurs. In order to ascertain whether data are fit for employing factor analysis, Kaiser-Meyer-Olkin (KMO) and Bartlett’s Test of Sphericity have been employed. The result of KMO and Bartlett’s Test is found greater than 0.70. Hence, the collected data are fit for employing factor analysis. Further, the large values of Bartlett’s sphericity test (2749.15, df: 28, Sig=0.000) and KMO statistics (0.968) indicate the appropriateness of factor analysis.

Table 2: Skill Sets for Successful Entrepreneurs

<table>
<thead>
<tr>
<th>Skill Sets</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Group Skills</td>
<td>0.036</td>
<td>-0.014</td>
<td>0.012</td>
<td>0.947</td>
</tr>
<tr>
<td>Technical Skills</td>
<td>0.861</td>
<td>0.078</td>
<td>-0.038</td>
<td>-0.022</td>
</tr>
<tr>
<td>Business Skills</td>
<td>-0.076</td>
<td>0.184</td>
<td>0.753</td>
<td>0.276</td>
</tr>
<tr>
<td>Entrepreneurial Skills</td>
<td>0.871</td>
<td>-0.032</td>
<td>0.041</td>
<td>0.051</td>
</tr>
<tr>
<td>Behavioral Skills</td>
<td>-0.076</td>
<td>0.192</td>
<td>-0.773</td>
<td>0.203</td>
</tr>
<tr>
<td>Communication Skills</td>
<td>0.055</td>
<td>0.765</td>
<td>-0.191</td>
<td>-0.012</td>
</tr>
<tr>
<td>Listening Skills</td>
<td>0.002</td>
<td>-0.548</td>
<td>0.021</td>
<td>-0.067</td>
</tr>
<tr>
<td>Soft Skills</td>
<td>0.003</td>
<td>0.783</td>
<td>0.328</td>
<td>-0.090</td>
</tr>
<tr>
<td>Eigen Values</td>
<td>1.546</td>
<td>1.411</td>
<td>1.168</td>
<td>1.025</td>
</tr>
<tr>
<td>% of Variance</td>
<td>19.322</td>
<td>17.635</td>
<td>14.599</td>
<td>12.808</td>
</tr>
<tr>
<td>Cumulative % of Variance</td>
<td>19.322</td>
<td>36.957</td>
<td>51.556</td>
<td>64.363</td>
</tr>
</tbody>
</table>

(Source: Primary Data)
Four factors are identified by locating Eigen values greater than unity. Skill requirements for a Successful Entrepreneur have a component loading of 0.7 and above are said to be significant skill factors that enhance the Successful Entrepreneur. From the rotated component matrix it can be seen that “Technical Skills” and “Entrepreneurial Skills” have a component loading of 0.7 and above. Hence, these two variables form first factor. In the second factor, “Communication Skills”, and “Soft Skills” are found to be significant. In the third factor, “Business Skills” are found to be significant. In the Fourth factor, “Group Skills” are found to be significant.

Factor one contributes to a tune of 19.322 per cent towards Skill requirements for a successful entrepreneur. The other factors contribute namely, 17.635, 14.599 and 12.808 towards the Successful Entrepreneur. The total cumulative percentage of satisfaction by these seven factors towards customer satisfaction is 64.363 per cent.

7. **Suggestions**

Government and Non-Government Officials initiate necessary steps to augment entrepreneurial skills in the midst of rural entrepreneurs by arranging entrepreneurial training programmes. However, owing to poor publicity on training programmes offered by Government agencies, only a very few entrepreneurs have participated in the training programmes. Hence, it is suggested that wider publicity should be arranged pertaining to the training programme organized. Thereby, more rural entrepreneurs may avail with the facility in attending the entrepreneurial development programmes and get benefited.

The entrepreneur must extend necessary assistance for his fellow workers for completing the task in assigned time. Further, the entrepreneur must also offer a climate to their employees to extend their innovative suggestion for the business development.

Training sessions handled by the experts should instruct the participants on the method of promoting business and procedures for availing loan from banks and financial institutions. Even though after undergoing training programmes rural entrepreneurs face difficult in applying their learned tactics in reality. To make their business success, it is advised that experts have to offer realistic based training and to provide updated knowledge and real time case studies.

Technical skills are required by entrepreneurs for successful operation of the business in the digital age. Entrepreneurs are advised to keep them updated about the newest technology. Now-a-days, too many vocational training centres are promoted by Central and State Governments. Hence, it is advised that entrepreneurs should properly make use of training programmes offered by various government and non-government agencies. Entrepreneurs are to be well versed in their technical knowledge, which assists them to carry out their
production without hindrance and to select modernized equipment for enlarging their production and to reduce the cost of production.

Successful entrepreneurs must have good communication skill, which assists them to clearly communicate the message to their customers. Thus, it is suggested that academic institutions may organize communication skill oriented programmes for rural entrepreneurs.

Entrepreneur’s by attending entrepreneurial events, conferences, seminars or meet-ups, spending time with other entrepreneurs will help them to improve their entrepreneurial skills.

Entrepreneurs should keep their learning and personal development active. There are so many online courses, both free and paid, that teach a variety of entrepreneurial skills such as Skill Incubator, Udemy and Udacity.

Soft skills are intangible and cannot be measured. It is not easy to make their mark in this world. To be successful, entrepreneurs not only require educational qualification but they should be phenomenal in their action. Entrepreneurs are an idea people, their business starts as an idea, and the soft skill is used to attract, hold and assure the success of an every entrepreneur, if an entrepreneur have a clear idea of execution about his business, definitely he/ she will present his business needs to their stakeholders boldly and confidently.

Business environment changes, which mean rural entrepreneur’s have to cope with changes. Entrepreneurs are comfortable relating to other people; they easily create rapport and are at least more extroverted than they are introverted. These factors help Entrepreneur seem approachable, likeable, and comfortable in their position. Those qualities contribute to staff wanting to interact with their leader. They also help to motivate employees to do a better job.

8. Conclusion

A growth state like Tamilnadu can foresee more development in terms of major industrialization by encouraging and supporting the entrepreneurs in developing their skills. Cultivating entrepreneurial skills can help individuals to improve their prospects for success in almost any business activity. In addition to entrepreneurship, the ability to communicate effectively can help with job performance and relationships. Most entrepreneurial skills can be improved through a combination of education, motivation and application. Entrepreneurs by improving their skills have a lifelong priority to improve their chances of business success. Entrepreneurs must attended comprehensive training programmes to upgrade their skills. The specific tailor made programmes for the skill development of socially disadvantaged groups (OBC, ST, ST, Minorities and women) are organized in various regions of the states, including the less developed areas. Being a successful entrepreneur is a big task, but all of these skills can be learned. If an entrepreneur notices any of the skills are
lacking in, they must have the slogans “go get it!” Their eventual success depends on it. Business may have ups and downs on profit. A business man may not reach success in a single day. Hence an entrepreneur must have tolerance to bear the losses.

References


