



## **Problems and Challenges of Entrepreneurship Development with Special Reference to Himachal Pradesh**

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### **Abstract**

Entrepreneur is the input of entrepreneurship and economic growth. Entrepreneurship is a recent incident and in the entrepreneurial process entrepreneurs have to face various problems. In this paper attempts has been made to know the perception of entrepreneurs regarding entrepreneurship development and identify the problems faced by entrepreneurs. For this purpose primary and secondary data has been used. The secondary data have been collected from journals, internet, magazines, newspaper and annual reports etc. For primary data a sample of 200 respondentstaken from Himalyan Region of Himachal Pradesh. Theresultof the study shows that poor location of unit, strong competition, lack of transport facility and non-availability of raw material were the major problems faced by entrepreneurs. Government need to provide financial as well as others facilities like transport, communication and organize awareness programmes regarding different promotional activities and credit facilities for further expansion.

**Keywords:** Enterprises, entrepreneurial process, problems

### **1.1 Introduction**

The story of the Entrepreneurship is fills with paradoxes. Entrepreneurship as the present era understands was definitely not forthcoming from this social segment. Political & economic factors had an extensive effect on the entrepreneurial spirit. There were many issues that impact negatively on Indian entrepreneurship like Lack of political unity and stability, absence of effective communication systems, existence of custom barriers and oppressive tax policies, prevalence of innumerable currency system until around the third decade of the 19th century. Indian Entrepreneurship ruled by the community system in the Historical past.

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Brahmans were learned men who had assisted the kshatriyas in the administration, vaishyas have performed trading and industrial productive activities and shudras engaged in an agricultural occupation. Also, the people were organized in a very simple type of economic and social system. In the way to implement this concept to modern entrepreneurship, it can compare with the villages are the organization and an entrepreneur is called as a craftsman. The independent India could claim to have created a conducive climate for spread of entrepreneurship. It is in this broad backdrop that the later evolution and growth of Indian entrepreneurship has to be located.

The concept of entrepreneurial development involves equipping a person with the essential information and information used for enterprise building and polishing his entrepreneurial skills. In these days, entrepreneurship are treated as an important tool of industrialization, and provides employment to the people of state. Entrepreneurs shape economic future of nations by creating wealth and employment, offering products and services and generating taxes for government because of which entrepreneurship has closely been linked to economic growth of a country. Entrepreneurs convert ideas into economic opportunities through innovations which are considered to be major basis of competitiveness in an increasingly globalizing world economy. Therefore, most governments in the world struggle to expand supply of competent and globally cutthroat entrepreneurs in their respective countries.

Entrepreneurial development is a expected and an planned development of a person to an entrepreneur. The development of an entrepreneur refers to instruct the entrepreneurial skills into a common person, providing the required knowledge, developing the technical, financial, marketing and managerial skills, and building the entrepreneurial approach. Entrepreneurship development may be defined as a programme designed to help an individual in increase his entrepreneurial purpose and in acquiring skills and capabilities essential for playing his entrepreneurial responsibility efficiently.

Entrepreneurs are those who are optimistic, resourceful, and persistent with a work orientation, goal setters and achievers. Entrepreneurship is the mental urge to take risk in face of uncertainties and intuition and capacity of forecasting things which prove true. It involves a break with the past, a wider perception of economic activities and a creative and innovative response to environment.

## **2.1 Review of literature**

**Venkatapathy, R. (2006)** suggested that first generation entrepreneurs perceive the father as a loving person and parents as encouraging and overprotective. They are influential by the father attribute greater importance to friendship, initiative venture to promote self

employment, desire to be a model to others. They consider social awareness and involvement as essentials for a business venture which are the second generation entrepreneurs perceive the father as being dominant, are not influenced by any one, attribute least importance to friendship adopt a venture to avoid unemployment consider social awareness and involvement as not essential for a business venture. **Ansari & Ahmed (2007)** analyzed the relationship between risk taking behaviour and age among entrepreneurs. The late entry of entrepreneurs into business having a higher level of education could be on account of two reasons. First on account of the time they were required to spend on education and secondly on account of their failure to get another job which maintained parity with their higher educational qualifications. **Bholanath Dutta, (2009)** in his book, *Entrepreneurship Management: Texts & Cases*, deals in detail on the factors influencing entrepreneurship, viz., education, legality, infrastructure, finance, procedures, IT and communication, rapid changes, size of the firm, R & D and technology, stakeholders and globalization. The author has elucidated the characteristics of a successful entrepreneur at length. According to him, there are many critical factors contributing success such as skills, innovative mind, providing completeness to the factors of production, decision making, creative personality, plan making, dynamic leadership, creator of wealth, self confidence and ambitiousness, risk bearing, and adventurous mind. **Desai, (2009)** revealed that the concept of entrepreneurship has assumed prime importance both in research and in action for accelerating economic growth in developing countries. He examined entrepreneur and entrepreneurship the person and the process are the critical factors for the growth of organizations. The study brings with the person and the process, conceptual frame work and geographical origins. Concept of entrepreneurial functions and gap in economic theory together with explanations of entrepreneurial talents as a model for environments. **Mohamed, Z., et al. in (2011)** examines the effectiveness of informal entrepreneurship extension education among Malaysian farmers especially the members of Farmers' Organization Authority. They found that informal entrepreneurship education is not able to provide the entrepreneurship skills acquisition as expected. The study shows that the level of understanding on "what is entrepreneurship" is still low among the Farmers' Organization Authority (FOA) members. In this regard, efforts should be intensified to improve informal agri-entrepreneurial courses and training, and extension on developing entrepreneurial skill among the farmers. The main aim of **Briggs Kristina, Henricson, (2013)** study was to contributing the knowledge around social entrepreneurship. The study highlighted that entrepreneurship is a key for economic growth is today an important part of national development strategies in both developed and developing

countries. The study focuses on how entrepreneurs are supported through business incubators and discuss some implications of business incubators initiatives in developing countries. Further the study suggests that mobilization of entrepreneurship may be more fruitful than attempts to create it, and points that project initiation need awareness of the risk failing into ethnocentric perspective. **LegasHabtamu, (2015)** study was to explore and put in perspective the critical challenges entrepreneurs in Sub-Saharan Africa frequently face gaining ground to start a firm. The results show that cumbersome laws and regulations, corruption, poor infrastructure, lack of finance, lack of strong entrepreneurial training and small market came out as basic obstacles to entrepreneurial success. **Jayadatta S(2017)** tries to focus on the major problems faced by entrepreneurs especially in the field of marketing of products, other primary facilities like water supply, availability of electricity, transport facilities, required energy and financial amenities. In the light of this research paper focuses on the major challenges and problems available in the Indian market by en-cashing the possibilities and prospects of the same to be an able and successful entrepreneur. Certainly entrepreneurs set the example of turning their dream into reality. More importantly the story behind to achieve the dreams into reality is to set massive goals for themselves and also stay committed to achieving them regardless of the obstacles they get in the way with the unmatched passion and the ambition towards achieving the goal. **BhushanPadam(2018)** understand the major challenges and opportunities in rural areas that an entrepreneur can face. The paper also emphasizes on the major problems confronted by rural entrepreneur in areas like products marketing, budgetary conveniences and other essential luxuries i.e. accessibility of power, water supply, transport offices and required vitality and so on. Entrepreneurship plays a vital role in the development of rural areas. Entrepreneurial orientation in rustic areas is based on motivating local entrepreneurial endowment and successive growth of home-grown companies. The development and growth of rural areas help in generating self employment, resulting in spreading industrial and economic activities on larger scales and makes maximum utilization of the local labour as well as locally available raw materials. Now-a-days Rural Entrepreneurship has become the big opportunity for those people who have shifted to urban areas from rural or semi-urban areas.

## **2.2 Objective of the paper**

- 1) To examine the entrepreneurs perception regarding Entrepreneurship Development.
- 2) To study the financial and marketing problems faced by Entrepreneurs.
- 3) To analyze the major problems faced by selected Entrepreneurs in the study area.

## 2.3 Research Methodology

The study was conducted in hilly areas of Himachal Pradesh. Convenience sampling technique was adopted for the selection of study area. A sample of 200 respondents was taken on the basis of standard that they should be running their enterprise separately and not in partnership. Enterprises taken up for the study were beauty parlours, handloom units, general stores and bag making units. Wellstructured and pretested interview schedule was used for collecting primary data by survey method and secondary data was collected from magazines, newspapers, journals, periodicals, reports, text books and websites.

### 3.1 Data analysis and Interpretation

This section presents data from the sampled respondents, comprising their sex and opinion on central issue of the study. The first among these distributions was the respondents' sex and this is presented as shown in the table below:

**Table 1: Classification of the respondents on the basis of Sex Wise**

Sex	Frequency	Percentage
Male	132	66.0
Female	68	34.0
Total	200	100.0

Source: Data Collected from Primary Data, 2018

Classified data on the basis of Sex wise shown in the Table 3.1. The study reveals that 66 percent of the respondents used in this study are males while the remaining 34 percent are females. The difference in the number of males and females indicates that there are more male entrepreneurs in high hills zone of Himachal Pradesh.

**Table 3.2: Respondents were Encouraged to startown Entreprises**

Encouraged to Start Business	Frequency	Percentage
Agree	96	48.0
Neutral	76	38.0
Disagree	28	14.0
Total	200	100.0

Source: Data Collected from Primary Data, 2018

It is observed from the table no.3.2 that a majority of 48.0 percent of 200 respondents agreed that they were encouraged to start their own Entreprises. Further table reveals that 38.0 percent respondents neutral about encouraged to start own enterpris and only 14.0 percent respondents disagree with encouraged to start their own enterprises. Finally the table shows that majority of the respondents are agree to start enterprises.

**Table 3.3: Respondents Classification on the basis of Financial Problems**

S.No.	Statements	Frequency	Percentage
1.	Accessibility of long term finance	64	32.0
2.	Normal need of working capital	44	22.0
3.	Time-consuming procedure to avail financial help	36	18.0
4.	High expenditure	40	20.0
5.	Too many dependents to support	16	8.0
Total		200	100.0

Source: Data Collected from Primary Data, 2018

Table 3.3 reveals that majority of the respondents i.e. 32.0 percent shows that accessibility of long term finance and 22.0 percent, 18.0 percent, 20.0 percent and 8.0 percent respondents shows normal need of working capital, Time-consuming procedure to avail financial help, High expenditure, and too many dependents to support. Finally the table shows that long term finance 32.0 and normal need of working capital 22.0 are the major problems faced by respondents in entrepreneurial process.

**Table 3.4: Respondents Classification on the basis of Marketing problems**

S.No.	Statements	Frequency	Percentage
1.	Strong competition	60	30.0
2.	Poor location of shop	50	25.0
3.	Lack of transport facility	30	15.0
4.	Lack of marketing hub	35	17.50
5.	Complexity in affording own vehicle	25	12.50
Total		200	100.0

Source: Data Collected from Primary Data, 2018

During the process of marketing respondents faced certain problems viz. poor location of shop, lack of transport facility and tough competition from larger and established units. It is observed from the Table 3.4 that 30.0 percent respondents says strong competition, 25.0 percent Poor location of shop, 15.0 percent Lack of transport facility and 17.50 percent respondents says Lack of marketing hub and remaining 12.50 percent Complexity in affording own vehicle. Finally the table shows that long term finance 30.0 percent respondents says strong competition are the major problems faced by respondents in entrepreneurial process.

**Table3.5:Classification on the basis of Major problems Faced by the Respondents**

S.No.	Statements	Frequency	Percentage
1.	Poor position of unit	36	24.0
2.	Lack of Knowledge	45	30.0
3.	Lack of time for domestic work	12	8.0
4.	Non-availability of raw material	33	22.0
5.	Lack of time for rest and sleep	24	16.0
Total		200	100.0

Source: Data Collected from Primary Data, 2016

Table 3.5 Depicts that majority of the respondents i.e. 30.0 percent shows Lack of Knowledge, and others 24.0 percent, 22.0 percent, 16.0 percent and 8.0 percent respondents shows Poor position of unit, Non-availability of raw material, Lack of time for rest and sleep and Lack of time for domestic work respectively. The results shows that Lack of knowledge, Poor position of unit and Non-availability of raw material are major problems faced by respondents in Himalayan region of Himachal Pradesh.

#### **4.1 Conclusion**

The Entrepreneurs faced constraints in aspects of financial, marketing production, work place capacity and health issues. Financial problems faced were non-availability of finance and regular requirement of working capital. Poor locality of shop and lack of transport facility were major marketing problems. Production problems included the problem of non-availability of raw material. Entrepreneurs mainly faced health problems such as exhaustion, anxiety, and headache. Entrepreneurs also faced problem of improper water and space facility. Guidelines framed as a solution to these problems can help women entrepreneurs to deal with these problems effectively.

The growth and improvement of entrepreneurs are essential to be accelerated because entrepreneurship development is not possible without the contribution of every people. Therefore, a friendly surroundings is needed to be created to facilitate youth entrepreneurs to participate actively in the entrepreneurial activities. There is a requirement of Government, non Government, promotional and regulatory agencies to come promote and play the encouraging role in promoting entrepreneurs. The Government of India has also formulated different training and development cum employment generations programs for the young educated to start their ventures.

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