



## A study on opportunities and challenges of MSME entrepreneurs in Coimbatore district

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### Abstract

In the Current Scenario MSME play a catalytic role in the development process of most economies. The MSMEs are providing job more than 6 crores people. The MSME sector is contributing 8% of country's GDP, 45% of manufacture and 36% it exports. The MSME's sector has consistently registered higher growth rate compare to the overall Industrial sector. The distribution of MSME's in all over India is not equal because of inaccessibility of raw material, unfamiliarity or lack of entrepreneurial skills development and absence of support of financial and technical assistance from in relation to local authorities at district or state and central level. The absence of adequate and timely credit facility, extraordinary cost of credit, deficiency of modern technology, no research and innovations, insufficient training and skill development, multifaceted labor laws are the main problems of the MSME's. Although there are various opportunities available in the development of MSME's

**Keywords:** Opportunities and challenges, micro small and medium scale entrepreneurs

### Introduction

An entrepreneur is one who plays an important role in the economic development of a country. An entrepreneur can be regarded as a person who has the inventiveness, ability and stimulus to set up a business or an enterprise of his/her own and who always looks for high achievement. An entrepreneur looks for opportunities, identifies them and seizes them mainly for economic gains. An entrepreneur is a person who can express and execute the desire, competence, inducement and innovative ability to establish a business or industry of their own either alone or in collaboration with others. Their motive is to earn profit through the production or distribution of socially beneficial goods or services.

Entrepreneurship is one of the important factors of industrialization. In the absence of entrepreneurship, industrialization cannot take place. Entrepreneurs are playing an important role in the economic development of both developing and developed countries. The government has realized the importance of entrepreneurs, so it offers a variety of training programmes, subsidies and incentives. The micro, small and medium scale enterprises in India have today become a growth engine for the economy, contributing substantially to increase in the GDP (Gross Domestic Product), employment and exports. Probably in developing countries like India which are facing chronic unemployment problems, the best.

### Objectives of the Study

- To study the socio-economic background of micro, small and medium scale entrepreneurs.
- To examine the awareness of entrepreneurs related to various government schemes and programmes that support them.
- To analyze the assistance and support provided by various banks and financial institutions to Micro Small and Medium-scale entrepreneurs.
- To study the various problems faced by the micro small and medium scale entrepreneurs.

### Limitation of the Study

- Considering the wide spreading of the sample population in and around Coimbatore district the researcher selected the entrepreneurs in the service sector located in Coimbatore, Pollachi and Mettupalayam.
- The focus given on service sector entrepreneurs, the samples selected for the study were specifically service sector entrepreneurs and the research results in this study may not apply to manufacture sector entrepreneurs.

### Review of Literature

Pranaya Srivastava (2017)<sup>[1]</sup> this study discussed the export needs of Indian small and medium scale enterprises in textile sector. Role of knowledge-based resources, in the highly globalized world; Process of internationalization requires the commitment of additional resource to Micro, small, and medium enterprises This study suggested to entrepreneurs and managers need not focus on overseas expansion activities, but at the same time compulsory to focus on their R&D and marketing activities. Because improving product quality and differentiation of products are important in international business, it will help their overseas expansion to be successful. This study also highlighted the importance of knowledge-based resources so government and consultancy need to provide the training and guidelines to entrepreneurs regarding export. Mansor (2016)<sup>[2]</sup> this paper discussed social entrepreneur's motivation and challenges. Social entrepreneurs are a new generation of entrepreneurs who take up the challenges of solving a social problem rampant in society. Social entrepreneurs' combine financial success with social value creation at time both are necessary. But a balancing of both is more difficult nowadays.

**Analysis of the Study**

Particulars	Frequency	Percentage
Age		
20 to 30 years	74	73.3
32 to 40 years	20	19.8
41 to 50 years	7	6.9
Total	101	100.0
Gender		
Male	54	53.5
Female	47	46.5
Total	101	100.0
Marital status		
Married	39	38.6
Unmarried	62	61.4
Total	101	100.0
Educational qualification		
School level	3	3.0
Undergraduate	66	65.3
Postgraduate	26	25.7
Professional	6	5.9
Total	101	100.0
Nature of the family		
Joint	35	34.7
Nuclear family	66	65.3
Total	101	100.0
Type of the organization		
Sole proprietorship	34	33.7
Partnership firm	43	42.6
Company	24	23.8
Total	101	100.0

**Interpretation**

From the above table shows that out of 102 respondents of the Age up to 20 to 30 years are 74(73.3), and 32 to 40 years are 20(20.19.8), and the rest of the respondents are from 41 to 50 years 7(6.9). Gender in male are 54(53.5), female is 47(46.5). Marital status is married 39(38.6), and unmarried 62(61.4). Educational qualification is school level 3(3.0), undergraduate 66(65.3), postgraduate 26(25.7), and the rest of the respondents is professional 6(5.9). Nature of the family are joint 35(34.7), and nuclear family 66(65.3). Type of the organization are sole proprietorship 34(33.7), partnership firm 43(42.6), and the company 24(23.8).

Particulars	Frequency	Percentage
State the method of recruiting employees		
Advertising	58	57.4
Reference	25	24.8
Direct contact	18	17.8
Total	101	100.0
What kind of employment you are offering		
Regular	37	36.6
Job work	38	37.6
Part time and hourly basic	26	25.7
Total	101	100.0
What kind of training you providing to employees		
On the job training	51	50.5
Off the job training	39	38.6
Send them outside for Training	11	10.9
Total	101	100.0

**Interpretation**

From the above table represents, out of 102 respondents of the state the method of recruiting employees is in advertising is 58(57.4), reference 25(24.8), and in direct

contact 18(17.8). What kind of employment you are offering is regular 37(36.6), job work 38(37.6), and in part time and hourly basis is 26(25.7). What kind of training you providing to employees are on the job training 51(50.5), on the job training 39(38.6), and send them outside for training is 11(10.9).

Particulars	Frequency	Percentage
Insufficient of working capital		
Strongly agree	17	16.8
Agree	57	56.4
Neutral	22	21.8
Disagree	5	5.0
Total	101	100.0
Difficult to get bank loan		
Strongly agree	16	15.8
Agree	34	33.7
Neutral	32	31.7
Disagree	17	16.8
Strongly disagree	2	2.0
Total	101	100.0
High opening cost		
Strongly agree	15	14.9
Agree	43	42.6
Neutral	30	29.7
Disagree	12	11.9
Strongly disagree	1	1.0
Total	101	100.0

**Interpretation**

From the above table shown insufficient of working capital out of 102 respondents are strongly agree 17(16.8), and agree with the process of 57(56.4), neutral 22(21.8), rest of the respondents is 5(5.0) are disagree. Difficult to get bank loan out of 102 respondents are strongly agree 16(15.8)), and agree with the process of 34(33.7), neutral 32(31.7), disagree 17(16.8) and rest of the respondents is 2(2.0) are strongly disagree. High opening cost out of 102 respondents are strongly agree 15(14.9), and agree with the process of 43(42.6), neutral 30(29.7), disagree 12(11.9) and rest of the respondents is 1(1.0) are strongly disagree.

**Findings of the Study**

- Hence the majority of respondents are from the Age up to 20 to 30 years 74(73.3)
- Hence the majority of respondents of the gender are in male 54(53.5).
- Hence the majority of respondents from marital status are unmarried 62(61.4).
- Hence the majority of respondents from educational qualification are undergraduate 66(65.3).
- Hence the majority of respondents from nature of the family are nuclear family 66(65.3).
- Hence the most of respondents from type of the organization are partnership firm 43(42.6).
- Hence the majority of respondents from State the method of recruiting employees are advertising 58(57.4).
- Hence the most of respondents from what kind of employment you are offering are job work 38(37.6)
- Hence the majority of respondents from what kind of training you providing to employees are on the job training 51(50.5).
- Hence 57(56.4) of the majority of respondents are agree with insufficient of working capital.
- Hence 34(33.7) of the most of respondents are agree with difficult to get bank loan.

- Hence 43(42.6) of the most of respondents are agree with high opening cost.

### **Suggestions of Data Analysis**

#### **Employee Administration**

- Employees are the real assets of enterprises. Micro entrepreneurs and small-scale entrepreneurs having a similar opinion on labour problems, as per their opinion absenteeism, negligence and employee turnover are the biggest problems; this should be avoided in enterprises. Overcoming of these problems' entrepreneurs and employee's relationship and communication should be increased, then motivating the employees through the monetary and non-monetary forms are necessary.
- The entrepreneurs implement the employee's welfare schemes, create a good working atmosphere, and mind the employee's carrier development and personal development building the employee loyalty to the enterprise. identify the employee's requirement and fulfill their needs are most important, for example employee's salary transaction through the bank mode, small level incentives, ESI, PF and refreshment and leave regulations must be considered and change as per their needs.

#### **Entrepreneur's Awareness**

- The government understands the importance of entrepreneurs hence it offers various schemes and programmes for the development of entrepreneurship in the country. Nearly 40 types of schemes and programmes offered to the entrepreneurs but most of the entrepreneurs not aware the schemes and programmes, example information related to intellectual rights, marketing assistance and training assistance the entrepreneurs exposed their unawareness. After develop the schemes and programmes the government should communicate to entrepreneurs and convey the detail of schemes is very essential. This is not an easiest process hence government can get assistance from NGOs (Non- government Organizations). Through this research found that entrepreneur's aware schemes through the newspaper so all the schemes and programmers' detail should publish in the newspaper means it can easily reach the entrepreneurs.

#### **Conclusion**

Every country's growth and development depend on the growth of entrepreneurship in the nation. Entrepreneurs are classified into different types like micro, small, medium and large scale and everyone play a vital role in economic growth, employment, public welfare, quality of goods & services and nation's GDP contribution. The developing nations and developed nations core differences lies is the utilization of entrepreneurial resources. Youngsters need to select entrepreneurship as the carrier for their life. Imparting entrepreneurship as a discipline in schools and colleges will create innovativeness and increase risk-bearing capacity in youngsters. This has become an important need of the current era, so that the next-generation entrepreneurs develop from the school level.

This research found that entrepreneurs require managerial skills for the administration of finance, working capital, planning, human resources and customer relationship. When

the entrepreneur acquires managerial skills, they will overcome all the business challenges. Hence entrepreneurs must undergo the entrepreneurial development training for developing their administration skills.

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