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Research Article

A STUDY ON ECONOMIC DEVELOPMENT BY GENERATING EMPLOYMENT OPPORTUNITIES IN ENTREPRENEURSHIP

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ABSTRACT

Entrepreneurs play a vital role in the economic development of a country. A country depends primarily on its entrepreneurs. An entrepreneur is often considered as a person who sets up his own business or industry. The entrepreneur has initiative, drive, skill and spirit of innovation and the entrepreneur aims at high goals. The concept of entrepreneurship has become a popular topic these days.

Hence this paper is devoted to explore the topic in an elaborate manner. The study was carried out with the sample size of 50 entrepreneurs' selected based on purposive random sampling in Coimbatore city. The primary method was used to collect the data and the tools used to analyse the data was Percentage, Chi-square and Rank.

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INTRODUCTION

Entrepreneurship is the purposeful activity of an individual or a group of associated individuals, undertaken to initiate, maintain or-gain profit by production, or distribution of economic goods and services. Entrepreneurship is very often associated with adventurism, risk bearing, innovating creativity etc. It is concerned with making dynamic changes in the process of production, innovation in production and new usage for materials etc. It is a mental attitude to take calculated risks with certain objectives. It is also means doing something in a new and better manner.

Meaning

The purposeful activity of an individual or group of associated individuals, undertaken to initiate, maintain, or earn profit by production and distribution of economic goods and services.

Definition

Joseph A. Schumpeter has given an important definition on entrepreneurship. According to him, "Entrepreneurship is essentially a creative activity. It consists of doing such things as are generally not done in ordinary course of business. An entrepreneur is one who innovates, i.e. carries out new combination or enterprise".

Role of Entrepreneur in Economic Development

In Generating Employment Opportunities

At the beginning of seventh five year plan the backlog of unemployment was estimated to be around 44 million persons. At present, the number of unemployed in the country is far greater than what it was during 1985. Emphasis on modernization, which usually results in automation, use of high technology, and technology up gradation initiated during 1980s and structural changes introduced by the Government during 1990's are likely to give 'much rise to capital-intensive rather than labour intensive industry. It is feared that there will be very little additional job opportunities within the fold of organized public and private sectors. Most of the job opportunities in future are likely to be emerging from informal and unorganised sectors of economy. Entrepreneurship development training, which helps in strengthening informal and unorganised sector, is expected to motivate enterprising people to opt for self employment and entrepreneurial career. It will therefore, help in solving the problem of increasing unemployment to some extent.

In Increasing Economic Growth

Capital Formation: Capital formation is the most crucial element for economic growth. It is always necessary to increase

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the rate of capital formation so that the economy accumulates a large stock of machines, tools, equipments, which can be geared into production by the entrepreneur. Entrepreneurship promotes capital formation by mobilising the idle saving of the public through the issues of industrial securities. Investment of public savings in industry results in productive utilisation of national resources. Rate of capital formation increases, which is essential for rapid economic growth. Thus, an entrepreneur is the creator of wealth.

Generates Employment: Entrepreneurs establish small scale industrial units and thereby they generate employment opportunities. It helps in the reduction of unemployment problem, which is the root of all socio-economic problems.

Effective Use of Resources: Entrepreneurs are needed in a society so that natural resources and human resources can be exploited most effectively for the general welfare of mankind.

Promotes Country's Export Trade: Last but no means the least it also promotes country's export trade, which is an important ingredient to economic development. The role of entrepreneur is of fundamental importance as far as export promotion and import substitution are concerned. The role of entrepreneur in promotion of exports and substitution of imports for the development of the country is discussed below.

Improvement in Per Capita Income: Entrepreneurs locate and exploit opportunities. They convert the talent and idle resources like land, labour and capital into national income and wealth in the form of goods and services. They help to increase net national product and per capita income in the country, which are important yard sticks for measuring economic growth.

Improvement in Living Standards: Entrepreneurs set up industries, which remove scarcity of essential commodities and introduce new products. Production of goods on mass scale and manufacture of handicrafts, etc., in the small scale sector help to improve the standard of life of a common man. These offer goods at lower costs and increase variety in consumption.

Economic Independence: Entrepreneurship is essential for national self-reliance. Industrialists help to manufacture indigenous substitutes of hitherto imported products thereby reducing dependence on foreign countries. Businessmen also export goods and services on a large scale and thereby earn the scarce foreign exchange for the country. Such import substitution and export promotion help to ensure the economic independence of the country without which political independence has little meaning.

Objectives of the Study

- To know the motivation is helpful for economic development.
- To rank the other motivation for developing economy in employment opportunities.
- To understand the significant relative between the level of education and motivation for employment.

Limitations of the Study

- The Universe being large the study was restricted to the entrepreneurs performing business in and around Coimbatore city.

- The result may not be very accurate because of the response of 50 respondents.
- Insufficiency of Time.

RESEARCH METHODOLOGY

Research Design

A research design defines the structure or framework within research is carried out. In this study descriptive research design has been used in order to describe the economic development of generating employment opportunities in entrepreneurship.

Area of the Study

The study has been conducted in Coimbatore City. The study concentrates only on the Entrepreneurs.

Sample Size

The sample size adopted by the researcher in this study is 50.

Sources of Data

The researcher used both primary and secondary data, to accomplish the objective of the study.

Sampling Technique

The researcher adopted purposive Random Sampling Method to collect the data.

Tools for Analysis

The following tools are used in the study for the purpose of analysis

- Simple Percentage Analysis
- Chi-square
- Rank analysis

Table 1 Analysis and Interpretation of the Study

Variables		No of respondents (n:50)	Percentage (%)
Age (in years)	Below 30	28	54
	30 - 40	8	16
	40 - 50	10	20
	50 Above	4	8
Gender	Male	24	48
	Female	26	52
	Single	26	52
Marital status	Married	22	44
	Separate	2	4
	Widow	-	-
	Never Attended	6	12
Level of Education	School	14	28
	High School	14	28
	UG	24	48
	PG	6	12
Annual Income	Below 60,000	10	20
	60,000 – 1,00,000	20	40
	1,00,000 – 2,00,000	16	32
	Above 2,00,000	4	8
Type of Enterprise	Manufacturing	40	80
	Service	10	20
	Other	-	-
Number of Employees working in the Concern	Below 10	16	32
	10 – 15	20	40
	15 - 20	10	20
	Above 20	4	8

Types of Employees working in the Concern	Skilled	28	56
	Unskilled	8	16
	Both	14	28
Providing Motivation in the Concern	Training Faculty	28	52
	Development Program	22	44
Motivation help in the Economic Development	Remove Unemployment	24	48
	Remove Poverty	20	40
	Economic Growth	6	12

Source: Primary Data

Interpretation

From the above table 1 it is clear that out of 50 employees who have been taken for the study, majority 56 percent of the entrepreneurs belong to the age group of below 30 years. The classification based on the Gender refers that 52 percent are female entrepreneurs. The Martial status reveals that 52 percent of the entrepreneurs are single. The Level of Education attainment refers that 48 percent in UG. The Annual income of the entrepreneur are belong to the 60,000 – 1, 00,000 group of people was 40 percent.

And the type of Enterprise reveals that 80 percent of the entrepreneurs selected manufacturing concern. The 40 percent of the employees (no.of) working in the concern refers 10 – 15 interval level. The type of employees working reveals that 56 percent was skilled workers. The motivation provided by entrepreneurs refers that 52 percent through training. The 48 percent of entrepreneurs was motivation help in the economic development.

Chi-Square Test (X²)

The X² test is one of the simplest and most widely used non-parametric test in statistical work. The symbol X² is the Greek letter Chi. The Chi-square test was first used by Karl Pearson in the year 1990. The quantity X² describes the magnitude of the discrepancy between theory and observation. It is defined as:-

$$\text{Chi-square value} = \sum \frac{(O - E)^2}{E}$$

$$\frac{\quad}{E}$$

Exhibit 2 showing the observed and expected frequency of level of Education Attainment and Motivation for Employees in the Concern

Null hypothesis (H0) emphasizes that there is no significant relationship between the level of education attainment and motivation for employees in the concern.

Alternative hypothesis (H1) emphasizes that there is significant relationship between the level of education attainment and motivation for employees in the concern.

Observation (O)	Expected Value (E)	(O - E) ²	(O-E) ² / E
6	3.36	6.9696	2.07
0	2.64	6.9696	2.64
14	7.84	37.9456	4.84
0	6.16	37.9456	6.16
8	13.44	29.5936	2.20
16	10.56	29.5936	2.80
0	3.36	11.2896	3.36
6	2.64	11.2896	4.28
Total			28.35

Source: Primary Data

$$V = (r - 1)(C - 1) = (4 - 1)(2 - 1) = 3$$

From the above table 2 it is observed that level of Education Attainment and Motivation for Employees in the concern is rejected, because the calculated value of X² (28.35) is greater than the table value (7.81).

Exhibit 3. Showing the observed and expected frequency of Age of Entrepreneur and EDP is use for developing economy

Null hypothesis (H0) emphasizes that there is no significant relationship between the Age of entrepreneur and EDP is use for developing economy.

Alternative hypothesis (H1) emphasizes that there is significant relationship between the Age of entrepreneur and EDP is use for developing economy.

Observation (O)	Expected Value (E)	(O - E) ²	(O-E) ² / E
14	13.44	0.3136	0.0234
8	11.20	10.24	0.914
6	3.36	6.9696	2.07
4	3.84	0.0256	0.006
4	3.20	0.64	0.2
0	0.96	0.9216	0.96
6	4.80	1.44	0.3
4	4.00	0	0
0	1.20	1.44	1.2
0	1.92	3.6864	1.92
4	1.60	5.76	3.6
0	0.48	0.2304	0.48
Total			11.674

Source: Primary Data

$$V = (r - 1)(C - 1) = (4 - 1)(3 - 1) = 6$$

From the above table 3 it is observed that age of entrepreneur and EDP is use for developing economy is accepted, because the calculated value of X² (11.67) is lesser than the table value (12.6).

Rank Order Analysis

A ranking is an association relating a set of items. In statistics, “ranking” means the information conversion in which numerical or normal values are switched by their rank when the data are classified.

Rank Analysis Economic Development in Employment Opportunities

Topics	5	4	3	2	1	Total	Rank
Developing and strengthening Entrepreneurial Quality	60	40	54	16	4	174	1
Selecting and formulating the project	10	48	42	36	4	140	4
Knowing the source of assistance	70	40	24	20	8	162	2
Providing post training assistance	50	56	24	16	10	156	3
Accelerating Industrial Development	60	24	6	12	24	126	5
Total						750	

Source: Primary Data

Exhibit 4 explains the rank order analysis over the help of economic development in employment opportunities. It is clear the developing and strengthening entrepreneurial quality plays a first rank; Knowing the source of assistance is crucial as it ranks second ; Providing post training assistance plays a third rank; Selecting and formulating the project plays a fourth rank and Accelerating Industrial Development had final rank.

FINDINGS, SUGGESTION AND CONCLUSION

Findings

The major Findings of this study are

- Majority (52%) of the entrepreneurs are in the female in gender and single in marital status.
- Majority (56%) of the entrepreneurs in the age group of below 30.
- Most of the entrepreneurs (48%) are in UG level of education.
- Most of the entrepreneurs (40%) of their annual income of Rs. 60,000 to 1,00,000.
- Majority of the entrepreneurs belong to the Manufacturing Concern.
- About (40%) of the employees working in the Concern.
- Majority (56%) of the skilled employees are working in the concern.
- Majority (56%) of the entrepreneurs motivating their employees through training.
- For developing economy 48% of Removes unemployment is suggested by entrepreneurs.
- The observation of level of Education Attained and Motivation for Employees in the concern is rejected in Chi-square analysis.
- The observation of age of entrepreneur and EDP is use for developing economy is accepted in Chi-square Analysis.
- Through the rank analysis of Development and strengthening entrepreneurial quality of employees scored first rank.

Suggestions

- The organisation should allow the employees to use their skills and abilities to the maximum level.
- The entrepreneur should give training for their unskilled employees.
- The entrepreneur should motivate employees for economic development.
- The employees need more training and FDP programme.

CONCLUSION

Entrepreneurs play an important role in generating employment opportunity, which is vital to the overall long-term economic health of nations. The entrepreneur initiate, stimulate, promote and maintain economic activities as to production and distribution of goods. Hence the entrepreneur is considered as an integral part of socio-economic transformation. Entrepreneurs perform a significant role in establishing small, micro, and medium (SME) industrial enterprises. It helps in generating a lot of employment opportunities, which is the need of the hour a country like ours. It leads to creation of both self-employment and job opportunities, and consequently helps in minimising unemployment problem in the country.

In this study it is found that majority of the employees are satisfied with their training and FDP programme given by the entrepreneur to develop their skills and development of economy. The analysis of the study has lead to the conclusions that the motivation is helpful for both employee and economic development.

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