

**RESEARCH ARTICLE :**

# Analysing socio-economic characteristics of entrepreneurs

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**SUMMARY :** The study was conducted in four regions of Tamil Nadu. The respondents were selected based on availability of entrepreneurs using random sampling method. The sample of the study constituted 150 entrepreneurs including 35 entrepreneurs as a member of Business Planning and Development Unit. The data were collected using a pre-tested interview schedule. To add supportive details to the data collected, case study was also taken up. The salient findings of the study are given here under.

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**KEY WORDS :**

Socio-economic,  
entrepreneurs

## BACKGROUND AND OBJECTIVES

Entrepreneurship is the process of creating something new with value by devoting the necessary time and effort, assuming the accompanying financial, psychic and social risks and receiving the resulting rewards of monetary and personal satisfaction and independence. (Jovanovic and Rosseau, 2005. The Network of Indian Agri Business Incubator has established to network all the Agri Business Incubators in India to promote entrepreneurship in the field of agriculture. Tamil Nadu Agricultural University has become the leader in promoting agri-business in the region by starting the Directorate of Agri Business Development in 2007.

established in different places to cover the entire state. The BPD unit have 35 members / incubatees at the time of this study. The scheme is operated for the whole state so the entire region was selected for the study. "Random sample method" was adopted to select the respondents from the Entrepreneurial Hubs. Totally 150 respondents were selected for the study. Data collection was done with the help of pre tested structured interview schedule.

## OBSERVATIONS AND ANALYSIS

The results obtained from the present study as well as discussions have been summarized under following heads :

**Age :**

The category-wise distribution of

## RESOURCES AND METHODS

Three entrepreneurial hubs were

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entrepreneurs with regard to age is presented in Table 1. It could be observed from the Table that nearly three fourth of the respondents (69.33 %) were found to be middle aged, followed by old (20.00 %) and young (10.67 %) aged categories. It could be inferred from the results that significant proportion of middle aged respondents turned to be entrepreneurs compared to old and young age respondents. The probable reason might be that middle aged entrepreneurs with rich experience in business have started their own enterprise. It could be observed in the survey, most of the entrepreneurs initiated their entrepreneurial careers between the ages of 28 to 45.

### Gender :

The category-wise distribution of entrepreneurs with regard to gender is presented in Table 2. It could be observed from the Table that three fourth of the respondents (75.33%) were found to be males and

remaining (24.67%) respondents had fallen under female category. It could be inferred from the above results that more number of male respondents (113) turned out to be entrepreneurs compared to their counterparts. The fact might be that male would have been given free choice, liberty and independence to become entrepreneurs to start own business than the female groups.

The results derived support from the study of Orford *et al.* (2003), in their GEM report of 2003, indicating that men are on average 2.3 times more likely to be involved in entrepreneurial activity in developing countries than women are.

### Educational status :

The distribution of respondents according to their educational status is presented in Table 3. The Table 3 revealed that nearly two-fourth (48.00%) of the respondents possessed collegiate education followed by 22.00 per cent of the respondents who were educated

Sr. No.	Category	No. of respondents	Percentage
1.	Young (Less than 30 years)	16	10.67
2.	Middle (30-45 years)	104	69.33
3.	Old (More than 45 years)	30	20.00
Total		150	100.00

Sr. No.	Category	No. of respondents	Percentage
1.	Female	37	24.67
2.	Male	113	75.33
Total		150	100.00

Sr. No.	Category	No. of respondents	Percentage
1.	Illiterate	0	0.00
2.	Functionally literate	0	0.00
3.	Primary education	21	14.00
4.	Middle education	24	16.00
5.	Secondary education	33	22.00
6.	Collegiate education	72	48.00
Total		150	100.00

Sr. No.	Category	No. of respondents	Percentage
1.	Single	12	8.00
2.	Married	138	92.00
Total		150	100.00

upto secondary level and the remaining two-fourth of them had been observed under primary and middle levels of education. The results indicated that the entrepreneurs who had education at higher level were able to start business than others. More over the educated persons with entrepreneurial though had an averse to work under anybody else as an employee. None of the respondents found under illiterate and functionally literate categories. It strongly indicated that there was a relationship between education and entrepreneurship.

The results are in line with the findings of Thapa (2007) who observed that education has indispensable for more entrepreneurial.

### Marital status :

The category-wise distribution of entrepreneurs with regard to marital status is presented in Table 4. From the results it is inferred that around 92.00 per cent of the respondents were married followed by 8.00 per cent who were single. The results indicated that greater number of respondents fell under the married category. They had the tendency to be independent and want to earn more could have triggered enthusiasm to start the business venture. The results derived support from the study conducted by Bellurkar *et al.* (2003) who found that majority of the respondents were married.

### Previous work experience :

The classification of respondents based on their previous experience in business has been presented in Table 5. Forty per cent of respondents had more than five years of relevant work experience followed by 30.00 per cent who possessed two to five years of experience which was somewhat related to their present business and the rest (30.00%) of them have had less than two years of experience which was not relevant to present business. The results indicated that entrepreneurs who have had more number of years of experience which was relevant to present business was successfully running their business than others. The experienced persons used their experience in the activities like sourcing the input, applying technology, developing new innovation, taking decision, producing quality output, positioning and marketing the product. They had liberty to implement decisions in own business based on previous experience.

### Mass media exposure :

The classification of respondents with regard to mass media exposure level is presented in Table 6. The results showed that half of the respondents (50.00%) were under medium level of mass media exposure; whereas 28.00 per cent were seen in low level category and remaining

Sr. No.	Category	No. of respondents	Percentage
1.	Less than two years experience	45	30.00
2.	Two to five years of experience	45	30.00
3.	Above five years experience	60	40.00
	Total	150	100.00

Sr. No.	Category	No. of respondents	Percentage
1.	Low	42	28.00
2.	Medium	75	50.00
3.	High	33	22.00
	Total	150	100.00

Sr. No.	Category	No. of respondents	Percentage
1.	Low	32	21.33
2.	Medium	93	62.00
3.	High	25	16.67
	Total	150	100.00

22.00 per cent in high level category.

It could be informally observed that most of the respondents regularly read newspapers, browse internet and listened to the television to update the knowledge. Updation of knowledge by using these media helped the entrepreneur to introduce new innovation, gave idea to position their products in different ways and to know the competitors in the market.

Similar findings were also reported by Neelaveni *et al.* (2002) who revealed that half of the respondents belonged to medium level of (53.34%) mass media exposure category followed by low (32.50%) and high (14.16%) level of mass media exposure.

### Economic motivation :

The classification of respondents with regard to economic motivation level is presented in Table 7. Majority of the respondents (62.00%) had medium level of economic motivation, whereas less than one-fourth respondents (21.33%) had low and remaining (16.67%) had high level of economic motivation in their business.

Operating agri-based business demanded much investment in terms of land, equipments and other resources. They would try new innovation by investing money in research and developmental activities which may help to survive in the market and lead to earn more income. Though, economic motivation was a prime and a prerequisite factor, without which it would be highly impossible to move commercially. The finding is in accordance with the findings of Saravanakumar (2000).

### Credit orientation :

The distribution of respondents as per their credit orientation level is given in Table 8. It is observed from

Table 8 that medium level of credit orientation was observed among the majority of the respondents (49.33%) followed by high (28.67%) and low (22.00%) level of credit orientation.

Entrepreneurs started their business by investing own capital but at the expansion stage they needed the support of financial institutions. It was observed that 92 respondents (61.33%) secured credit from financial institutions for their business in the last two years. Remaining (38.67%) entrepreneurs have a plan to approach financial institutions to obtain credit. But they felt it was difficult to secure credit from financial institutions because the bankers only reviewed the monetary profit of the business and interested to know the security provided by the entrepreneur.

### Risk preference :

The classification of respondents with regard to risk preference level is presented in Table 9. Table 9 revealed that, medium and low level of risk preference by each 34.67 per cent of the respondents followed by high (30.66%) level of risk preference.

It is found that the respondents were more or less equally distributed in all the three categories which clearly revealed that start-up and young enterprises in the stage of stabilisation not preferred to take risk compared to developed enterprises. The entrepreneurs from developed enterprises were willing to diversify their product by introducing new methods. They could control their risk by using management techniques like risk avoidance by not taking unsure business, prevention of losses by insuring the equipments, person and assets, reduction of losses by diversifying the products which would ensure smooth functioning of the firm.

Sr. No.	Category	No. of respondents	Percentage
1.	Low	33	22.00
2.	Medium	74	49.33
3.	High	43	28.67
	Total	150	100.00

Sr. No.	Category	No. of respondents	Percentage
1.	Low	52	34.67
2.	Medium	52	34.67
3.	High	46	30.66
	Total	150	100.00

The results were in accordance with Tamilselvi and Vasanthakumar (2008) who also studied that almost equanimity of the respondents had possessed high and medium levels of risk orientation.

### Conclusion :

The analysis of profile characteristics of entrepreneurs indicates that respondents were middle aged, most of them were male, had collegiate education, majority of them had more than five years of experience, overwhelming respondents were married, had medium level of economic motivation, credit orientation and had medium level of risk preference.

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