

## THE FACTORS THAT AFFECT AN INDIVIDUAL TO BECOME ENTREPRENEUR

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### Abstract:

There is a very deep relation between an individual and entrepreneurship. The entrepreneur means the person, who will not only provide employment to himself but also provide opportunities to needy one. Entrepreneurs must have the innovative ideas to find the opportunities to full fill the needs and wants of himself as well as the society.

This paper focuses on factors that influence individual to become an entrepreneur they are such as social, cultural, environmental, educational as well as economical etc. This study has found that the evils of unemployment.

Various institutional supports are provided to entrepreneurs for increasing the skills and knowledge to become a successful entrepreneur. It might help the students to change their typical mindset from searching jobs to creating jobs. In this paper women entrepreneurship will briefly discussed.

Only academic knowledge on entrepreneurship development may not be enough to make the graduates ready to take risks of starting a new venture. But the skills and knowledge on the subject and a little hands experience might help them to change their typical mind-set.

Hence, we must focus on developing entrepreneurial mind through the education that will help for the development of entrepreneurial culture as well as the development of a country.

At last this study is beneficial for skilled as well as unskilled manpower for employment generation in this competitive world. The central ministry has taken the decisions regarding the uplifting opportunities for entrepreneurship.

The conclusion is that multiple schemes and guidelines of central and state government are given to pursue the education regarding the entrepreneurial culture.

**Key words:** Entrepreneurship, women entrepreneurship, evils of Unemployment, Institutional schemes of Government.

### INTRODUCTION:

For successful entrepreneurial career, individuals need to have the qualities of risk-taking, forward looking and intellectual curiosity. Entrepreneurship is the ability and readiness to develop, organize and run a business enterprise. The most prominent example of entrepreneurship is the starting of new business. A true entrepreneur is not predictable, one who has a certain creativity level that allows a person to see and produce “ahead of the curve”. An entrepreneur takes most of the risk and initiative for their new business, and is often seen as a

visionary or innovator. Entrepreneurs are not born, they are made with the right mindset and the right skill set.

Due to proper education and the growing awareness among women, the women entrepreneurs have been increasing, not only in the kitchen extension activities i.e. the 3 Ps viz. pickles, powder (masala) and papad but also Women are also keen to contribute their skills for the economic development. In modern days, women do not want to stay within the four walls of a house. They have already entered in other fields like politics, education, administration and social field etc.

In India Kiran Muzumdar Shaw Chairman and Managing Director of Biocon Limited, woman Entrepreneur received various awards like Padma Shri (1989) and Padma Bhushan (2005) for her remarkable contribution to health and medicine industry.

Hence, this study aimed at identifying the factors influencing an individual to become an entrepreneur. As well as schemes of Government support will also be discussed for eliminate the evils of unemployment.

Entrepreneurship development or entrepreneurial action is not spontaneous in most cases. Rather, it is the result of entrepreneurial intent or choice to pursue an entrepreneurial career in response to opportunities originally identified. Entrepreneurship development is the means of enhancing the knowledge and skill of entrepreneurs through several classroom coaching and programs, and training. The main point of the development process is to strengthen and increase the number of entrepreneurs.

#### **LITERATURE REVIEW:**

Entrepreneurship is also defined dynamic process of vision, change, and creation. An application of energy and passion towards the creation and implementation of new ideas and creative solutions is essentially required. The key ingredients will definitely consist of willingness to take risks which are carefully calculated in terms of time, equity, or career; the ability to come up with an effective venture team; the creative skills to cater needed resources; the required skills of building a solid and good business plan; and finally, the vision to identify opportunities of where others see as chaos, contradiction and confusion (Kuratko, 2009, p. 5).

Unemployment among educated persons is more serious. It is not only an economic evil it is a social problem too. There are number of reasons for unemployment. It include recessions, depressions, technological improvements, job outsourcing, and voluntarily leaving one job to find another. It creates `mental health challenges, health problems, dishonesty, immorality, drinking habit, gambling, robbery, etc`. In India unemployment ratio was 8.3 percent in December 2022, according to data released by Centre for Monitoring Indian Economy Pvt Ltd (CMIE).

#### **OBJECTIVES:**

- To know the skills required to become a successful entrepreneur.

- To find out the evils of unemployment and current ratio of unemployment in India.
- To study the institutional support of government for the entrepreneurship development.
- To know the need for Entrepreneurship.

#### **DATA ANALYSIS:**

**To become a successful entrepreneur, it is very important for He/She to know the following factors-**

##### **Personal factors:-**

- a) Initiative (does things before being asked for)
- b) Proactive (identification and utilization of opportunities)
- c) Perseverance (working against all odds to overcome obstacles and never complacent with success)
- d) Problem-solver (conceives new ideas and solutions) achieves innovative
- e) Persuasion (to customers and financiers for patronization of his business and develops & maintains relationships)
- f) Self-confidence (takes and sticks to his decisions)
- g) Self-critical (learning from his mistakes and experiences of others)
- h) A Planner (collects information, prepares a plan, and monitors performance)
- i) Risk-taker (the basic quality).

##### **1. Psychological Factors:-**

###### **1) Passion**

Starting up a new business is not an easy task to pull off and a consistent and constant commitment to the idea and the long hours it will require to turn it to a success is essential. Passion is the fuel of this commitment that motivates entrepreneurs to rise early in the morning and put their blood, sweat, and tears into their business.

###### **2) Need for Achievement**

Entrepreneurs are self-starters with a need to achieve. This achievement motivation isn't necessarily driven by the incentives of financial gain only but also by the satisfaction gain. To add, entrepreneurs' motivation extends to reach their employees and partners to keep them on the same page and drive them to achieve as well.

###### **3) Resilience**

Resilience comes with the package of the entrepreneurial spirit to help entrepreneurs stay determined in the face of any defeat they might encounter throughout the process. Failure is then a mere lesson to learn from and continue instead of giving up.

#### 4) Leadership and Inspiring Others

Leaders are challenged with taking possibilities and turning them into inspiring visions for others. You will inevitably have to sell either your idea or your product to begin your entrepreneurship. It will be up to the entrepreneur to take the idea and turn it into actions and products to capitalize on the opportunity. Leadership can come in many forms, but it is never the less essential to entrepreneurship. You must take the lead for your ideas to come to fruition.

#### 2. Availability of Capital-

Entrepreneurs require capital to start risky ventures and also require instant capital to scale up the business and to make business ideas successful.

#### 3. Labor Markets and Raw Materials-

Labor is an important factor of production for almost any kind of product or service. The fortunes of the entrepreneurs are therefore dependent on the availability of skilled labor at reasonable prices.

Just like labor, raw material consisting of natural resources is also an essential product required for any industry. In some countries this raw material is available through the market by paying a fair price.

#### 4. Infrastructure-

There are some services which are required by almost every industry to flourish. These services would include transport, electricity etc. They can be referred to as the infrastructure which is required to develop any business. Therefore, if any country focuses on increasing the efficiency of these services, they are likely to impact the businesses of almost all entrepreneurs in the region.

#### 5. Industrial development-

More favourable industrial environment is one, where transportation, communication, electricity, labour, water, raw materials etc are easily available. Such industrial environment by and large affect entrepreneur development.

#### 6. Social elements-

Social system plays a vital role in social environment. As an individual is born and developed in a family and society, social values, ethical standards, family structure, caste and religious attitudes of social environment affect entrepreneurship development.

#### 7. Economic environment-

Banking, education, industrial policy, economic policy, Exim policy interest rate etc. Factors of economic environment affect entrepreneurship development. Thus economic soundness and free economy motivate entrepreneur development.

#### 8. Technological environment-

Technology is an art of converting the natural resources into goods and services more beneficial to society. Due to technological development new product, new production process new raw material, new researches are encouraged for modernization.

#### 9. Political factor-

Government also plays an important role in entrepreneurship development. Due to Globalization, Indian economy has adopted free industrial policy, restrictions on industries have been minimized and MRTP act has been cancelled, which has motivated many entrepreneurs to establish and to develop industries in Indian economy.

#### 10. Incentives-

Incentives are also one of the important factors affecting entrepreneurship. If motivating loans, policies, organizations are developed, it leads to rapid entrepreneurship development.

**Today, India has become fertile ground for breeding new entrepreneurs. Government are throwing new opportunities every day by providing following supports:**

1. Central Government 2. State Government 3. Non-Government Support System 4. District Industries Centres (DIC).

### **1. CENTRAL GOVERNMENT INSTITUTIONS:**

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This Board examines the factors affecting promotion and development of MSMEs and reviews policies and programmes from time to time relating to these enterprises.

#### (i) Small Scale Industries Board (SSIB):

It was established in 1954 to provide effective coordination and inter- institutional linkages for the benefit of small scale sector.

#### (ii) National Bank for Agriculture and Rural Development (NABARD):

NABARD is designated as an apex development bank in the country. This national bank was established in 1982 by a Special Act of the Parliament, with a mandate to uplift rural India by facilitating credit flow in agriculture, cottage and village industries, handicrafts and small-scale industries.

### **2. STATE GOVERNMENT INSTITUTIONS:**

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The State Governments also execute different promotional and developmental projects and schemes to provide number of supporting incentives for development and promotion of MSMEs in their respective states.

(i) State Financial Corporation (SFC):

Its main objectives are

- a) To provide term loans for the acquisition of land, building, plant and machinery.
- b) To promote of self-employment and encourage women entrepreneurs.
- c) iii. To bring about expansion of industry.

(ii) State Small Industries Development Corporation (SSIDC):

The State Small Industries Development Corporations (SSIDC) were set up in various states under the companies act 1956, as state government undertakings to cater to the primary developmental needs of the small tiny and village industries in the state/union territories under their juris-diction.

(iii) Technical Consultancy Organisations (TCOs):

It includes Preparation of project profiles, Undertaking industrial potential surveys, Identification of potential entrepreneurs, Undertaking market research, Project supervision and rendering technical and administrative assistance, Conducting EDPs.

(iv) Khadi and Village Industries Commission (KVIC):

It is engaged in the development of khadi and village industries in rural areas. Main objectives of KVIC are To provide employment in rural areas, To help in skill improvement, To bring about rural industrialization etc.

### **3. NON-GOVERNMENT INSTITUTIONS:**

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Besides the Central Government and the State Government agencies, there are some Non-Governmental agencies that are also supporting the cause of small scale industries in the country. Government policies have stressed the increasing role of these associations and NGOs in setting up common facilities and other cooperative ventures in technology, marketing and other support systems. Some of these major associations are as follows:

(I) Indian Council of Small Industries (ICSI):

It was established in 1979 to help tiny, cottage and small industries and artisans of rural areas. Membership of ICSI constitutes about 1500 associations of the decentralized sector.

(II) Laghu Udyog Bharti (LUB):

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Laghu Udyog Bharti (LUB) was founded in 1995 to promote and safe-guard the interest of tiny businesses.

(III) India SME Technology Services Ltd.:

India SME Technology Services Ltd. (ISTSL) provides a platform where micro, small and medium enterprises can tap opportunities at the global level for acquisition of new and emerging technology or establish business collaboration.

(IV) Credit Guarantee Fund Trust for Micro and Small Industries:

CGTSI, is the credit guarantee fund scheme for micro and small enterprise in August 2000 to ensure better flow of credit to micro and small enterprises by minimising the risk perception of banks/ financial institutions in lending without collateral security.

(V) Federation of Associations of Small Industries of India (FASII):

It was promoted in 1959 to represent the problems of SSIs with the Government and liaising with other agencies involved in promotion of SSI sector.

#### **4. DISTRICT INDUSTRIES CENTRE (DIC):**

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In each district, there is one agency to deal with all requirements of small and village Industries. This is called “District Industries Centre”, The District Industries Centres have undertaken various programmes for investment promotion at the grass root level such as organizing seminars workshops, extending support for trade fairs and exhibitions organized by various Industrys associations.

- **A few of India`s efforts at promoting- entrepreneurship and innovation are:**
  - I. **Startup India:** Through the Startup India initiative, Government of India promotes entrepreneurship by mentoring, nurturing and facilitating startups throughout their life cycle. This scheme was launch in January 2016, the initiative has successfully given a head start to numerous aspiring entrepreneurs.
  - II. **Atal Innovation Mission (AIM):** AIM is the Government of Indias endeavor to promote a culture of innovation and entrepreneurship, and it serves as a platform for promotion of world class Innovation Hubs, Grand Challenges, start-up businesses and other self-employment activities.
  - III. **Support to Training and Employment Programme for Women (STEP):** STEP was launched by the Government of Indias, Ministry of Women and Child Development to train women with no access to formal skill training facilities, especially in rural India. The Ministry of Skill Development & Entrepreneurship and NITI Aayog recently redrafted the Guidelines of the 30- year-old initiative to adapt to present-day needs. The initiative reaches out to all Indian women above 16 years of age. The programme



imparts skills in several sectors such as agriculture, horticulture, food processing, handlooms, traditional crafts like embroidery, travel and tourism, hospitality, computer and IT services.

- IV. Pradhan Mantri Kaushal Vikas Yojana (PMKVY): (PMKVY) was launched in 2015 to encourage and promote skill development in the country by providing free short duration skill training and incentivizing this by providing monetary rewards to youth for skill certification.
- V. National Skill Development Mission: Launched in July 2015, the mission aims to build synergies across sectors and States in skilled industries and initiatives. With a vision to build a Skilled India it is designed to expedite decision making across sectors to provide skills at scale, without compromising on quality or speed. The seven sub-missions proposed in the initial phase to guide the missions skilling efforts are: Institutional Training, Infrastructure, Convergence, Trainers, Overseas Employment, Sustainable Livelihoods, Leveraging Public Infrastructure. Etc..

These all are the government schemes and institutions that help youth to become entrepreneurs.

#### **RESEARCH METHODOLOGY:**

The main source of data used for the study is secondary data. The information related with study has been collected from websites, journals, magazines, newspapers and books.

#### **CONCLUSION:**

Entrepreneur is an individual having specific knowledge, skills and efficiency. Any new enterprise is created by an individual or group of individuals. The creativity of an individual encourages him to establish a new enterprise. Creativity consists of innovation, search and research. Personality, social conditions, social support, education and training etc. factors lay an important role for developing such skills and motivate an individual to become an entrepreneur. The term entrepreneur not only refers to the creator, owner and manager of a business, but also to the project leader of a business.

Basically, an individual needs to learn and sharpen his or her entrepreneurial skills in order to become a successful entrepreneur. Besides, an individual also must have a good personal qualities that are demanded to become a successful entrepreneur. The examples of the entrepreneur traits are full of determination, not afraid to take risk, high level of confidence, craves learning, understands failure is the part of the game, highly adaptable, good understanding of money management, expert in networking, ability to sell and promote. Thus, without any doubt, each individual or entrepreneur needs to learn and apply the selected entrepreneur traits in order to achieve success in the entrepreneurial field.

Like as Women entrepreneurs make significant contributions to economic growth and to poverty reduction around the world.

The need for entrepreneurship includes the Increases national production , Balanced development, Dispersal of economic power, Reinvestment of profit for the welfare of the area



of profit generation, Development is a function of motivation and human resource etc. For that Government of India take initiative for supporting startups by providing incubation and acceleration programs as well as the institutional support too by providing schemes. These programs provide resources and mentorship to help startups grow their businesses.

In conclusion, the entrepreneurial mindset requires members to be willing to take risks, believe in their product or service, and communicate their ideas clearly to others. Entrepreneurs must realize that they are just starting, so they shouldn't get too overly confident.

**At last** "Entrepreneurship is neither a science nor an art. It is a practice." — Peter Drucker

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