

## Entrepreneurial Climate in Kannur District Perception of Commerce Students

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**Abstract**— Environmental conditions are proven critical for the existence and survival of any business organization in the society. So is the case of entrepreneurs also. An entrepreneur is one who assume high risk and innovating novel ideas into a venture. Starting a new venture with a novel mission is not proven that easy before being started he makes various studies to see how far the project will be successful in the changing scenario. To be successful depends on many environmental factors which are in turn variables also. Environmental factors are namely political economical and social. And commerce students are deemed to be aware environmental factors that contribute to the development of the nation. Hence it is thought prudent to make a study on the student’s perception regarding the environmental climate in kannur district. This is structured in the form of an analytical paper and purely based on the primary data based on the convenient sampling method.

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### I. INTRODUCTION

To an extent the development of any nation is directly connected to the degree of industrialization and infrastructure. Industrialization requires good amount of innovation and technological up gradation Innovation and technological up gradation is made possible only by those individuals who dare to assume financial and market risk. Such category of people who incessantly introduce innovation and technology in the field of business and industry is technologically being called entrepreneur .The entrepreneur has now been attributed to all small industrialists, traders and agriculturalists. Hence, all people who are gainfully engaged in work of manufacturing, distribution or service in other sectors are called entrepreneurs.

Being an open system Environmental conditions are proven critical for the existence and survival of any business organization. So is the case of entrepreneurs also. He has to face all the odds to get established amongst the prominent business magnets. Beginning a new and high risk venture is proven challenging in the changing scenario.

### II. IMPORTANCE OF THE STUDY

Entrepreneurship is one of the prominent segments of economic growth of any country. Kerala is blessed with many favourable factors fostering enterprises. Still it has failed to contribute to the economy. Entrepreneurship inhabits in an open environment. Such an open environment continuously interacts with the men and materials in the organization and subject to any change in the environment. . Hence it is imperative to identify the entrepreneurial climate in Kannur district. Some of the commerce students after completing their studies would take up the job as an entrepreneur. They are the future entrepreneurs. Hence the commerce students are chosen to be the respondents.

### III. METHODOLOGY

The present paper is structured as an analytical one. Information is collected from the commerce students at various colleges in Kannur district. Convenient sampling method is used to collect information from a sample of 50 students. For the purpose of analysis five point likert style methods is used. Simple arithmetic Mean value is considered as a statistical measure. If the value of the mean falls above 3, that factor is conducive to the entrepreneurial development. If the mean value is less than 3 the factor is treated as challenging to the entrepreneurship. For bringing clarity in analysis a separate scaling is used in this.

- Mean value between 2 and 3 - Unfavourable
- Mean value between 3 and 4 - Favourable
- Mean value between 4 and 5 - Most favourable

### IV. OBJECTIVES OF THE STUDY

1. To identify the awareness of commerce students regarding the entrepreneurial climate.
2. To identify the magnitude of various environmental factors.

### V. INVESTIGATION RESULTS

TABLE 1

Sl. No	Mean * Respondents	Mean Value	Total Number Of Respondents	Awareness Factors
1	223.5	2.8	50	Innovation in sectors of production and services
2	208.74	3.2	49	Helping women power empowerment
3	202.56	2.6	48	Infrastructural factors like roads
4	210	3.3	50	Generation of employment
5	207	2.4	50	Support of local bodies
6	206	2.1	50	Performance of single window system
7	202	1.9	50	Fund crunch
8	194.04	2.3	49	Clearance certificate from line department( pollution and health department)
9	196	3.2	50	Role of entrepreneurship development institutions

- Mean value between 1 and 2 - Most unfavourable

10	195.5	3.6	50	Strength of traditional industry
11	180.48	2.5	48	Influence of trade union in growth of industry
12	186	2.5	50	Performance of financial institutions
13	177	2.2	50	Money lenders menace
14	164	1.8	50	Local hartal and bandh
15	133.4	1.7	46	Revival mechanism for sick units
	2886.22		740	Total

#### A. Innovation in the sectors of production and service

Sowing the seeds of innovation in the sphere of production and services can contribute a lot to the all-round development entrepreneurship. An entrepreneur to survive should introduce innovative and novel ideas in the place obsolete technology. Hence the capability and potential of an entrepreneur in the sphere of innovation matters a lot. A cursory view of the analysis of this variable shows that the mean value is 2.8. As such the variable is found not favorable to the existing entrepreneurial climate in the Kannur district.

#### B. Women empowerment

Educating and equipping a woman signifies educating and equipping the entire society to which she belongs. Though she entrepreneurs have their own inherent limitations like low mobility, government is making conscious and focused effort to reach women in the front of nation building. The analysis shows that the mean value of this factor works out at 3.2 and is a favourable factor for entrepreneurial climate

#### C. Employment generation

Unemployment and Underemployment is a curse that the country is experiencing. This emphasizes the need of setting up of a self employment. The analysis indicates the mean value of this factor works out at 3.3 which is perceived as a favourable one. Analysis reveals, the entrepreneurship brews some amount of job opportunities in the society.

#### D. Fund crunch

Fund provides spine to any industry. Free and fair flow of fund ensures the sound and healthy existence of an industry. An enterprise which always faces fund shortage can only offer mediocre performance. A cursory view of the analysis reveals that mean value works out at 1.9 which indicates the factor is unfavorable in the industrial climate of Kerala.

#### E. Support of local bodies

Support of local bodies is a pre requirement for the existence of any industrial organization. To be successful an enterprise always requires rural rapport and help from the local self government bodies. The mean value of this factor works out at 2.4, which is turned unfavorable in the study. Study indicates that the rapport of local bodies is not conducive to the entrepreneurial development.

#### F. Performance of single window system

Single window scheme is a noble Endeavour for the upliftment of the starting entrepreneurs who are stuck in the initial process of obtaining various certificates from the authority concerned for the starting of business. In analysis the mean value works out to be 2.1, which falls between 2 and 3. This points out the fact that the factor is unfavourable to the entrepreneurial development and the real ground situation is entirely different from what it is thought to be.

#### G. Infrastructural development

A well developed and structured infrastructural facility contributes a lot to the growth and development of entrepreneurship in Kerala. A balanced development between various means of transport like rail road etc should be maintained. In the analysis mean value is 2.6 which points out that the factor is unfavourable for the setting up of enterprise in Kannur. factors also.

#### H. Clearances from the Department

Clearances from the line department are literally termed as a hard nut to crack. A start up business has to get clearances from various departments like pollution control, geology and health so on. The mean value of the factor here works out to be 2.3 which is turned an unfavourable factor.

#### I. Strength of traditional industry

Presence of traditional industry has been consciously incorporated in the study since it is worth mentioning. Traditional industry here stands for coir industry and handlooms weaving. The mean value here works out to be 3.6 which indicate a favourable situation. The district has enough potential to start entrepreneurship with traditional industry.

#### J. Influence of trade union

Trade union assures equity in remuneration and better working condition. At times the presence of trade union is seen as a boon or bane. Examining the history of some industry we can easily arrive at a statement that the unnecessary and undue interventions of trade union harm a lot for the industry. In the analysis also this factor turns to be an unfavourable parameter. The mean value works out at 2.5 and the students are well aware of such an issue. There should be a concise and conscious effort on the part of the government and authorities to get rid of this menace.

#### K. Role of entrepreneurial development institutions

Skills and administrative acumen are the indispensable elements of successful entrepreneurs. No society desires a loss making units for burdening the common man. Only Presence of a well developed and established entrepreneurial organization can offer skilled and talented risk averse entrepreneurs to the society. A quick view of the analysis shows the mean value is 3.2 which points to the fact that the entrepreneurial development institutions are conducive for the growth of entrepreneurship. In fact the value of such a variable should have been more than 4 in state like Kerala which boasts high literacy However the authorities and the government should strive hard to reaffirm presence and prominence of such institutions.

#### L. Money lender menace

Fund precedes everything. An organization to be successful should not face severe fund crunch for long. It is understood that the entrepreneurs mostly feel shortage of funds and tend to depend the rural money lenders. Such money lenders would even take possession of the collaterals in due course. Deep rooted money lenders chain in the society spreads net for sprouting entrepreneurs. The analysis shows the

mean value of this factor to be 2.2. Since the value is below 3 it is treated as non favourable factor. Strong presence of money lenders makes potential entrepreneur diffident and unsuccessful. As such the government should frame new policy changes that accommodate the menace of money lenders trap.

#### *M. Bundh and hartal*

Local bandh and hartals, which paralyses normal life, causes huge losses to the economy and human resource is a common phenomenon in Kannur district. These variables can be attributed to many factors. Such hartals and bandh are inherent to the political climate of Kannur district in particular and Kerala in general. Analysis shows that the mean value of this factor works out at 1.8. since the value is less than 2 it is proven most unfavourable in the business climate of Kannur. Even one day's loss can cause significant turns in the entrepreneurial anatomy. Hence the authority should take steps to cover up the loss causes to the sprouting entrepreneurs. Only then the young business magnets would dare to assume systematic risk.

#### *N. Revival mechanism for sick units*

Risk of loss is inherent to any type of business. Entrepreneurship is not an exception to this truth. In the nascent stages it is quite common to incur loss under normal conditions. An entrepreneur is more likely to suffer loss since he is trying to reap the benefits of innovation. This situation gives rise to the origin of revival mechanism. In order to bring back the loss making units a robust revival mechanism should be put in place. The mean value of this factor is 1.7 which is below 2. As such the factor turns to be most unfavourable. . The government and the authority should see such realities and prolong their moratorium instead of squeezing by way of recovery procedures. The banks and other financing agencies must abandon their reluctance in writing of the bad debts and waiving the when the entrepreneur is fighting financial crisis.

### VI. RECOMMENDATIONS

1. Fund crunch is one of the major issue emerged in the study. Owing to the lack of funds entrepreneurs fall prey to the trap of moneylenders. Hence the government should take all the appropriate and fair steps to get rid of that issue
2. Infrastructure factors like roads are of paramount importance in the development of entrepreneurship

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