

Entrepreneurial Drive and Challenges of Youth

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Abstract

Purpose: This study explores what drives youth towards entrepreneurship and the challenges they might face at each stage of the business cycle. Demographic factors such as age, gender, qualification, and current occupation and their impact on entrepreneurial desire, drive and challenges are investigated.

Methodology: The descriptive analysis method of research is used to conduct the study. The data was collected from a young population aged between 15 – and 29 (According to National Youth Policy 2014, Persons between the age groups of 15 and 29 are indicated as youth), hence this age group is taken as respondents. The tool used for data collection is the Google Form online questionnaire. Closed-ended questions were asked to the respondents. A non-probability convenient sampling method is used to collect the responses. Data is analyzed using SPSS Software. Hypotheses testing is done using a chi-square test.

Findings: The findings of the study state that, demographic factors such as gender, age, educational qualification, and occupation do impact desire (motivation) and drive of the business. Along with the clarity of business drivers, youth is also aware of the challenges they may face at various stages of business i.e., initial, growth and maturity. The results of this study shall provide insights for policymakers as per youngster's expectations, and also for the youth who wants to get into entrepreneurship in the future.

Keywords: Entrepreneurial drive, Challenges, Desire to do business, Entrepreneurship, Youth

1. Introduction

Entrepreneurship is a concept closely associated with three elements: innovating, organizing, and bearing a risk; hence, an entrepreneur is defined as someone who tries something new, organizes tasks, and undertakes uncertainty and risks. "Entrepreneurship is the purposeful activity of an individual or group of associated individuals undertaken to initiate, maintain, or raise profit by producing or distributing economic goods and services" (Cole, 1959)¹.

As per the Global Entrepreneurship Monitor (GEM) report, with the highest percentage of entrepreneurial activities among large economies, 27% of young Indians from 18–64 are running businesses. Entrepreneurship is a major economic growth and development element, as it creates employment, income generation, innovation, and creativity. Also, consumers get introduced to new products and services, which increases their consumption of those products, ultimately giving first-movers an advantage and a competitive advantage to new-age entrepreneurs.

Various factors drive youth towards entrepreneurship. It includes personal: the ability to take risks, recognize ideas that can be converted into a profitable business, employ opportunities for the betterment of personality, Socio-cultural: encouragement, recognition, along with economic freedoms, removing rigid cultural and social barriers, Governmental/Regulatory: direct and indirect roles and support services, including training, subsidized loans by the government, Skill: Efficient skill development training, Market:

having great mechanisms for smooth functioning of business proceedings of inputs and outputs by an entrepreneur, and Financial: availability of funds, creating profits out of investments. (Alam, 2021)².

As elaborated above, each entrepreneur can have different types of entrepreneurial drivers. But still, before entering that industry, they should have a good SWOT analysis of the situation and themselves. Even if taking risks is recommended by many, the risk should be analyzed. To survive in this challenging business environment, businesses must have enough strength to cope with changes and challenges before they strike.

Understanding various factors that drive youth towards entrepreneurship is important to deciding their perception of the challenges they face in the initial stages of business. Hence this research aims to explore desires, drives, and various difficulties in business according to the youth.

2. Review of Literature

One of the major problems small entrepreneurs face is lacking finance and raising it with time (Clarke, 1972)³. In financial planning, entrepreneurs should clarify themselves with answers to three questions i.e. 1) How much money is needed? 2) Where will money come from? 3) When does the money need to be available? Also, there should be adequate money to pay purchase considerations, sufficient capital for business operations, and enough provisions to meet unexpected expenses; Thus, these three amounts will constitute the total money needed to start the business (Khanka, 1999)⁴.

The biggest issue affecting MSMEs is the creation and marketing of products. They have limited scope in advertising and marketing research. They lack the financial means to compete with larger enterprises, both local and foreign. (Venkataramany,2016)⁵. Startups often receive funding from friends, family, private equity, or venture capital. Finance is the least understood component by entrepreneurs, so most firms fail in this area. (Chillakuri,2018)⁶

A major motivation behind starting the business is independence and financial freedom. There is no need for a family with a business background to start a business, as many first-generation women entrepreneurs managed to earn a considerable profit. (Shah, 2000)⁷. Those with business backgrounds probably have more entrepreneurship experience and could be aware of the difficulties in launching their own business. (Goel, 2007)⁸. A person's attitude towards entrepreneurs and entrepreneurship is influenced by his or her familial history and educational background (Agarwal & Upadhyay, 2009)⁹.

Marketing research provides scientific study and examination of any marketing problem and objective information for developing marketing plans, policies, programs, and processes. (Sherlekar,2010)¹⁰. Most students view starting their own business as a long-term ambition, the sample's students had opted to enroll in many entrepreneurial classes throughout their undergraduate studies indicating that entrepreneurship education may benefit their long-term professional goals (Duval-Couetil & Long, 2014)¹¹. Engaging in entrepreneurship during college helps students excel academically, builds their self-esteem, and imparts traits that will help them thrive after graduation. In addition to receiving an education, "student entrepreneurs" also get practical experience. (Memon, 2016)¹².

To build a pool of resource people who can mentor and inspire young people to pursue entrepreneurship as a career, educational institutions are setting up centers of excellence to train professionals in the field of entrepreneurship and to support the research and development necessary to launch university spin-off businesses (Vadera, 2018)¹³. Indian businessmen want to invest less in our country because of the regulatory environment and are ready to invest abroad. The entrepreneurs face challenges like limited access to finance, bureaucratic procedures, poor infrastructure, etc. The distribution system is another

challenge for the entrepreneurs in India because of inadequate infrastructure, and low internet penetration. (Sharma & Kulshreshtha, 2014)¹⁴. Common challenges for new entrepreneurs, include developing business ideas, vision, and mission, raising capital, finding the right location, competition, unexpected challenges, and expenses, and attracting customers (Sinha, 2023)¹⁵.

Pre-startup stage: Entrepreneurial drive is highly influenced by social relations or to represent themselves as a role model to build self-confidence in others. Early start-up stage: At this stage keeping up good relations with the current customers and building new ones are two major aspects. To maintain good relations with customers, entrepreneurs emphasize customer satisfaction, providing products at affordable prices, great quality, and timely order completion. Growth/maturity stage: Entrepreneurs prefer expanding product range and market. Decline stage: According to the founders, continuously increasing competition from China which has the cheapest labor and rent costs is a key issue that causes the company's decline. Also, companies that faced a decline in sales blamed the economic downturn globally; which affected customer demand. (Lam & Harker, 2015)¹⁶.

Educated and experienced entrepreneurs are more likely to be aware of potential financial losses during the early stages of their companies. (Sundaram, Shetty & Palakkeel 2022)¹⁷. Entrepreneurial Education (EE) had a favorable relationship with (EI) Entrepreneurial Intention. The government and other agencies contribution to formal and informal education favors young EI, implying that EE plays an important role in the entrepreneurial culture (Singh & Drakpa, 2023)¹⁸.

3. Significance of the study

The study is mainly conducted to explore the drive of youth toward business and whether they are aware of the challenges at each stage of the business cycle. Other researchers can practically implement the study's results while looking at what drives youth toward business. Also, youngsters driven toward entrepreneurship can look at the study's findings to see whether they can relate to any of the opinions of the studied population. This will help youth to clarify their ideas more precisely.

4. Objectives

1. To explore the desire of youth to do business in the future.
2. To explore the entrepreneurial drives (motivation) of the youth.
3. To identify challenges at the initial/starting stage of business.

5. Hypotheses of the study

1. H₀= There is no significant relation between the demographic factors (age, gender educational qualification, and occupation) and desire to do business in the future.
H₁ = There is a significant relation between the demographic factors (age, gender educational qualification, and occupation) and the desire to do business in the future.
2. H₀= There is no significant relation between the demographic factors (age, gender educational qualification, and occupation) and entrepreneurial drive (motivation) to do a business.
H₁ = There is a significant relation between the demographic factors (age, gender educational qualification, and occupation) and entrepreneurial drive (motivation) to do a business.
3. H₀= There is no significant relation between the demographic factors (age, gender educational qualification, and occupation) and the biggest challenge faced in the initial/starting stage of business.

H1=There is a significant relation between the demographic factors (age, gender educational qualification, and occupation) and the biggest challenge faced in the initial/starting stage of business.

6. Research Methodology

6.1 Data collection: The study is mainly based on primary data. The secondary data was collected from books, Government reports, and published journal articles. The data is qualitative and collected through an online self-structured questionnaire. A convenient sampling technique was used to collect the data. The data was collected in three sections: demographic factors, drive/desire to do business, and challenges according to the youth in business. The study followed a descriptive analysis approach.

6.2 Research area: Research is conducted in the city of Mumbai.

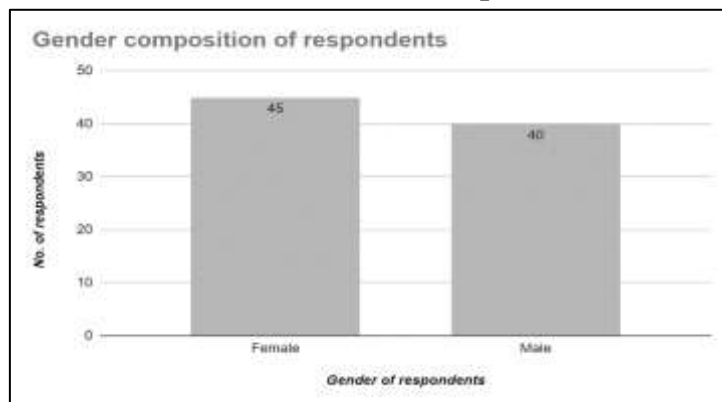
6.3 Population and Sample Size: The study targets youth i.e., aged 15-29. A total of 85 respondents were asked to fill out the questionnaire.

7. Data Analysis and Interpretation

For data analysis purposes Statistical Package for Social Sciences (SPSS) software is used, as quick and accurate data is provided by the same, for hypotheses testing, a non-parametric Chi-Square test is used, as all the collected data belongs to qualitative (categorical and nominal) type.

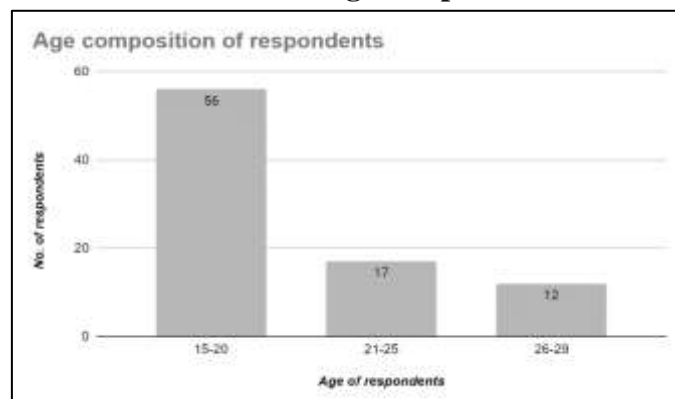
Demographic analysis of the population

Chart no1: Gender composition



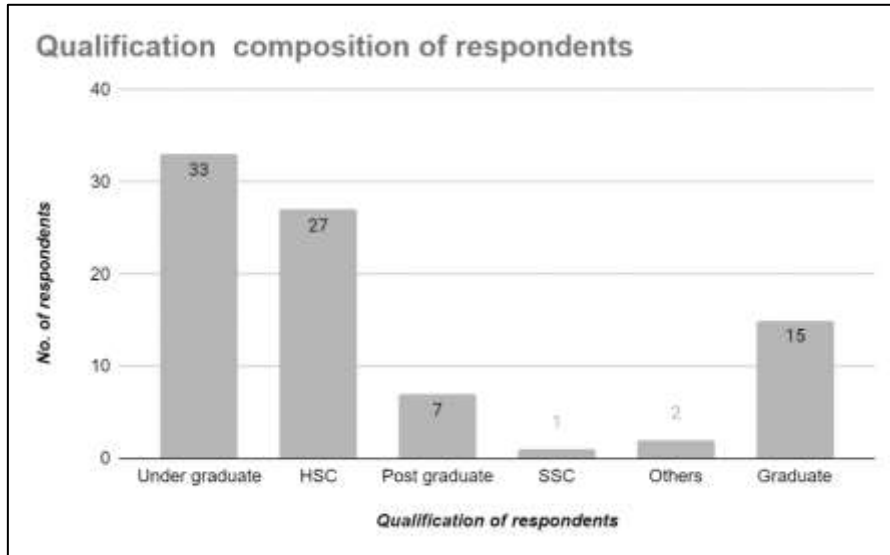
Above Chart no. 1 shows the gender composition of respondents. Out of a total of 85 respondents to the questionnaire, 45 are males and 40 are females.

Chart no. 2: Age composition



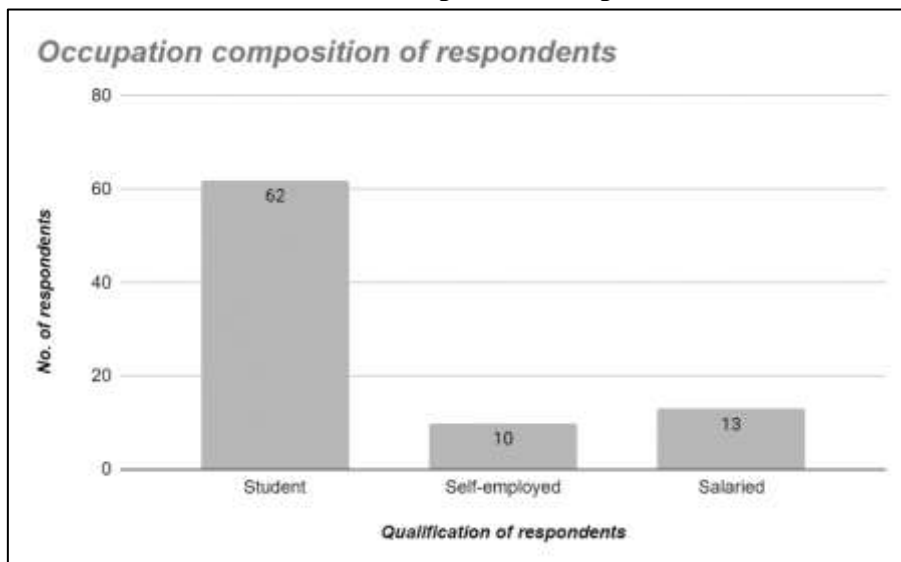
Above chart no 2, shows the age composition of respondents. Out of 80 respondents, 56 are from the youngest age group i.e.,15-20, followed by 17 and 12 respondents from the age group 21-25 & 26-29 respectively.

Chart no.3: Qualification composition



Above chart no. 3 displays the qualification composition of respondents. Most respondents are undergraduates i.e., 33. The remaining 28 are high school pass outs i.e., SSC and HSC which is followed by graduates and post-graduates i.e., 15 & 7 respectively. Then 2 others haven't mentioned their qualification.

Chart no.4 Occupation Composition



Above Chart no.4 shows the current occupational composition of respondents. Out of 85 respondents 62 are students, 13 are salaried employees and 10 are self-employed.

Hypotheses testing

Objective 1: To explore the desire of youth to do business in the future.

H0 = There is no significant relation between the demographic factors (age, gender educational qualification, and occupation) and desire to do business in the future

Table no.1 Crosstabulation – Demographic Factors and Desire to Do Business in the Future

Demographic factors		Yes (%)	No ((%)
Gender	Female	68	32
	Male	62	38
Age	15-20 Years	77	23
	21-25 Years	35	65
	26-29 Years	50	50
Occupation	Student	71	29
	Salaried	46	54
	Self-employed	50	50
Educational Qualification	SSC	100	0
	HSC	70	30
	Graduation	58	42
	Post Graduation	71	29
	Other	100	0

Source: Primary data (computed by authors)

Table no.02: Chi-Square test statistics for Hypotheses 1

Variable	Chi-square Value	P-Value	Result
Gender	0.258 ^a	0.611	Accepted
Age	11.154 ^a	0.004	Rejected
Occupation	3.971 ^a	0.137	Accepted
Educational Qualification	3.008 ^a	0.557	Accepted

The Chi-Square test is used to test the above hypothesis. The findings state that:

- The gender of youth does not affect the desire to do business in the future i.e. males and females both are willing to do business in the future.
- The age of youth does affect the desire to do business in the future i.e. a greater number of 15-20-year-olds age group is willing to do business in the future as compared to the age group of 21-25 years and 26-29 years.
- Occupation of youth does not affect the desire to do business in the future i.e., students, salaried, and self-employed all want to enter into business.
- Educational qualification of the youth does not affect the desire to do business in the future i.e. irrespective of educational qualification possessed by the youth all desires to do business in the future.

Overall, it can be concluded that the gender, occupation, and educational qualification of youth do not affect their desire to do business in the future. On the other hand, the age of the youth affects their desire to do business in the future.

Objective 2: To explore the youth's entrepreneurial drives (motivation).

H0 = There is no significant relation between the demographic factors (age, gender educational qualification, and occupation) and entrepreneurial drive (motivation) to do a business.

Table no. 03: Crosstabulation – Demographic Factors and Entrepreneurial Drive (motivation) to do business

Demographic factors		Desire to do some-thing new (%)	Educational background/ Experience of that industry (%)	Government assistance & support (%)	Promising demand for the product (%)
Gender	Female	68	11	11	10
	Male	59	26	0	15
Age	15-20 Years	65	19	7	9
	21-25 Years	67	17	0	16
	26-29 Years	50	17	0	33
Occupation	Student	71	16	7	6
	Salaried	67	33	0	0
	Self-employed	0	20	0	80
Educational Qualification	SSC	0	0	100	0
	HSC	58	26	11	5
	Graduation	68	11	0	21
	Post Graduation	60	40	0	0
	Other	100	0	0	0

Source: Primary data (computed by authors)

Table no.04: Chi-Square test statistics for Hypotheses 2

Variable	Chi-square Value	P-Value	Result
Gender	4.983	0.173	Accepted
Age	3.527	0.740	Accepted
Occupation	24.904	0.000	Rejected
Educational Qualification	27.352	0.007	Rejected

The Chi-Square test is used to test the above hypothesis. The findings state that:

- The gender of youth does not affect the Entrepreneurial drive (motivation) to do a business i.e., males and females are motivated by the same factors.
- Age of youth does not affect Entrepreneurial drive (motivation) to do a business i.e. all the age groups are motivated by the same factors to do business.
- Occupation of youth does affect Entrepreneurial drive (motivation) to do a business i.e. students and salaried people are influenced by the desire to do something new whereas, self-employed people are

influenced by promising demand for products.

- Educational qualification affects the Entrepreneurial drive (motivation) to do a business i.e., less educated youth is motivated by Government assistance support. In contrast, others are influenced by the desire to do something new.

Overall, it can be concluded that gender and age of youth do not affect the Entrepreneurial drive (motivation) to do a business. On the other hand, the occupation and educational qualifications of the youth affect the entrepreneurial drive (motivation) to do business.

Objective 3: To identify challenges at the initial/starting stage of business.

H0= There is no significant relation between the demographic factors (age, gender educational qualification, and occupation) and the biggest challenge faced in the initial/starting stage of business.

Table no. 05: Crosstabulation – Demographic factors and the biggest challenge faced in the initial/starting stage of business

Demographic factors		Arranging initial capital (%)	Developing business idea (%)	Finding good employees and team (%)	Finding suitable location (%)
Gender	Female	18	39	29	14
	Male	41	33	22	4
Age	15-20 Years	26	44	23	7
	21-25 Years	83	0	17	0
	26-29 Years	0	17	50	33
Occupation	Student	25	41	27	7
	Salaried	67	33	0	0
	Self-employed	20	0	40	40
Educational Qualification	SSC	0	0	0	100
	HSC	37	37	21	5
	Graduation	21	43	25	11
	Post Graduation	60	0	40	0
	Other	0	50	50	0

Source: Primary data (computed by authors)

Table no.06: Chi-Square test statistics for Hypotheses 3

Variable	Chi-square Value	P-Value	Result
Gender	4.519 ^a	0.211	Accepted
Age	17.861 ^a	0.007	Rejected
Occupation	13.441 ^a	0.037	Rejected
Educational Qualification	17.487 ^a	0.132	Accepted

The Chi-Square test is used to test the above hypothesis. The findings state that:

- The gender of youth does not affect the biggest challenge faced in the initial/starting stage of business

i.e., males and females face the same challenges in the initial / starting stage of the business.

- Age of youth does affect the biggest challenge faced in the initial/starting stage of business i.e. Age group of 15-20 years faces the problem of developing a business idea, the age group of 21-25 years faces the problem of arranging initial capital and the age group of 26-29 years face the problem of finding a good team of employees and location for the business.
- Occupation of youth does affect the biggest challenge faced in the initial/starting stage of business i.e. Students face the problem of developing business ideas, salaried people face the problem of arranging initial capital and self-employed people face the problem of finding a good team of employees and location for the business.
- The educational qualification of youth does not affect the biggest challenge faced in the initial/starting stage of business; irrespective of academic qualification, all face the same challenges in the initial / starting stage of the business.

Overall, it can be concluded that gender and educational qualification of youth do not affect the biggest challenge faced in the initial/starting stage of business. On the other hand, the age and occupation of the youth do affect the biggest challenge faced in the initial/starting stage of business.

8. Summary of findings

1. Age is a dominant factor that affects the desire to do business. The youngest i.e., age group of 15-20 is more desired to do business in the future.
2. Occupation and educational qualification affect the entrepreneurial drive to do a business.
3. The age and occupation of youth affect the perception of the biggest challenge they face in the initial stages of business.
4. The youth (respondents) unwilling to do business have common reasons such as non-risk-taking behavior, looking for stable income through jobs, and lacking skills, techniques, and family support.
5. The challenges of the business cycle; at the Initial, growth/maturity stages youth feel that keeping customers satisfied is the major challenge. In the decline stage, maintaining the required cash flow is a task.
6. The youth is expecting tax control, special grants, mentorship programs, workshops, easily accessible initial funding, regulatory support, and R&D through grants and partnerships, and networking opportunities to connect entrepreneurs from various regions, from the government.

9. Conclusion

From the study, it can be concluded that today's youth is driven towards business with clear intentions. They know the major challenges at the business's initial, growth/maturity, and decline stages. From the findings, it can also be stated that youth do not just desire to do business but their look-out towards facing losses shows their drive more rigorously towards business. So, the government should also be concerned about the expectations of young people who want to be entrepreneurs.

10. Limitations

The present research only considers youth from Mumbai. The study is limited due to time and resources constraints.

11. Scope for further research

Various other factors, such as family background, responsibilities, work experience, prior exposure to industry, and marital status, can be involved in examining entrepreneurial drive and challenges at various stages of the business cycle. Also, entrepreneurs in various industries can be studied to check how they deal with their business's growth and decline stages.

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