

Empirical Investigation Of The Performance Evaluation Of Rural Entrepreneurs In The Tenkasi District

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ABSTRACT

Rural enterprises are functioning in a setting characterized by intense and fast-paced changes. Although entrepreneurship is widely acknowledged as a key driver for fostering rural economic growth, empirical research on rural entrepreneurship is conspicuously lacking, leaving the concept largely underexplored. The contributions of rural entrepreneurs and the function of certain developmental organizations in the establishment of micro and small village businesses have shown to be quite crucial, recognizing the significance of comprehending the conceptual framework of rural entrepreneurship. Rural entrepreneurship has become a central topic of theoretical, practical, and political attention. Numerous innovative fiscal incentives, concessions, and support mechanisms are being offered to entrepreneurs to bolster the economic foundation and promote more extensive industrialization. These measures include subsidies, low-interest credit, structured training programs, access to machinery through hire-purchase arrangements, and technical guidance. Collectively, these initiatives have contributed to the successful growth and performance of entrepreneurs.

Key words: Rural entrepreneurs, performance evaluation.

I. INTRODUCTION

Entrepreneurship is a worldwide phenomenon that captivates the interest of economists, politicians, and social workers alike. While it has been a focus in developed nations for over a century, its significance has only been fully recognized in developing countries in recent decades. Entrepreneurship is seen in these areas as an essential means of encouraging self-employment, which is a remedy for the chronic unemployment of educated young as well as for boosting economic development and industrial competitiveness in the age of liberalization and globalization. As a critical component for efficiently integrating resources to support balanced and sustainable socioeconomic development, social scientists and economists are investigating this feature. A new generation of entrepreneurs is being encouraged in the agricultural and industrial sectors, as they drive significant and transformative changes in production and distribution processes. Within academia, entrepreneurial education is gaining

prominence in curriculum design, and numerous research studies are being undertaken to identify the factors that encourage or hinder entrepreneurship development. Today, rural development is increasingly interconnected with entrepreneurial initiatives. Organizations and individuals advocating for rural development increasingly view entrepreneurship as a critical strategy to accelerate progress in rural areas. Development organizations acknowledge the enormous potential for job creation in rural businesses, and there is increasing agreement on the urgent need to support them, politicians see them as a solution to mitigate rural unrest, farmers regard them as a means to enhance agricultural income, and women value them as opportunities for nearby employment that offer autonomy, independence, and reduced reliance on social support. All of these stakeholders see entrepreneurship as a way to encourage a sustainable economy and environment while increasing the quality of life for families, communities, and people.

REVIEW OF LITERATURE

Ayoub Akherati Ivani, Hamid Jafari (2021) the establishment of financial resources, the improvement of the social environment for business, and the creation of entrepreneurial infrastructure, villages have the ability to stimulate the growth of rural entrepreneurship across a variety of industries. When it comes to the development of entrepreneurial infrastructure for growth, the findings indicate that rural areas are not performing up to the norm.

Alexander Tabares, Jose Alejandro Cano (2022) development and sustainability emerged as two of the most important components as a result of the overall mapping of rural entrepreneurship accomplished by the sustainable livelihoods framework. In addition to tackling the issue of poverty, the research comes to the conclusion that eco-entrepreneurship has the potential to contribute to eco-innovation and ecological solutions.

Bin Gao and Naiwen Zhang (2024) the study indicates that the rural revitalization plan is responsible for shaping the pressure, national, and response indicators in the rural entrepreneurial environment. These indicators operate within a multi-layered, interconnected, and constantly evolving ecosystem for entrepreneurs. In conclusion, it brings to light the need of reinforcing connections within the rural entrepreneurship market and extending new income generation streams for businesses located in rural areas.

Arvind Arahant and Naraender Kumar in recent decades, the Government of India has placed a particular focus on the development of entrepreneurialism among the rural people, particularly among the underprivileged sections. Considering into consideration the fact that all of the chosen businesspeople are female and are from marginalized areas is an important takeaway.

II. STATEMENT OF THE PROBLEM

In Tamil Nadu, Tenkasi district has become a prominent and creative revenue unit. primarily driven by agriculture, paper manufacturing, sericulture, and coir-based industries. The region is abundant in both natural and human resources, and both are exceptionally productive in their

respective fields. In Tenkasi, the proper sort of entrepreneurs may discover significant and profitable prospects. While industries are growing in number, there remain significant unexplored resources and untapped potential. A variety of entrepreneurs both male and female, large and small have already established productive ventures. While many depend on banks, the District Industrial Center (DIC), or certain private organizations for financing, others function with their own funds. Outsourcing is common in many different businesses.

In addition to helping entrepreneurs satisfy their individual needs, the economic effect of new enterprises makes studying entrepreneurship important today. Beyond boosting national income through job creation, entrepreneurship plays a crucial role in economic growth by connecting innovation with the marketplace. While the government provides substantial support for basic and applied research, it faces challenges in successfully transforming technological innovations into marketable products or services. While entrepreneurship holds the potential to combine the research capabilities and business expertise typically found in large corporations, the outcomes have not been extraordinary. The important player in promoting innovation, progress, and economic growth is the entrepreneur, who often lacks both technical and commercial competence. Reinforcing this relationship is essential for a nation's economic growth and involves both studying entrepreneurship and educating potential entrepreneurs.

III. NEED OF THE STUDY

Modern India requires significant growth in both the industrial and agricultural sectors to become a global power and effectively address social challenges like poverty alleviation, improving living standards, and ensuring meaningful employment for all. Entrepreneurs play a crucial role in this process. By providing job opportunities, Indian entrepreneurs have played a crucial role in influencing the destiny of millions of people. exploring new areas, and implementing innovative business strategies. This prompts us to explore how Indian entrepreneurs achieve success in their ventures, with the insights gained serving as a standard for up-and-coming and prospective entrepreneurs.

Today, entrepreneurship research and performance assessment are crucial because of the economic effect of new businesses as well as the fact that they assist entrepreneurs in meeting their own requirements. Beyond boosting national income through job creation, entrepreneurship plays a vital role in economic growth by connecting innovation with the marketplace. While the government provides strong support for basic and applied research, it faces challenges in effectively transforming technological innovations into products or services. Although entrepreneurship holds the potential to combine the research capabilities and business expertise typically seen in large corporations, the results have yet to be truly remarkable.

IV. OBJECTIVES OF THE STUDY

- To investigate the characteristics of Tenkasi district's rural entrepreneurs.
- To evaluate the area's rural business entrepreneurs' performance.
- To determine the elements impacting and influencing regional businesses.
- To comprehend the different dimensions, metrics, and performance indicators.
- To ascertain the degree of difficulties encountered by business owners in the area.

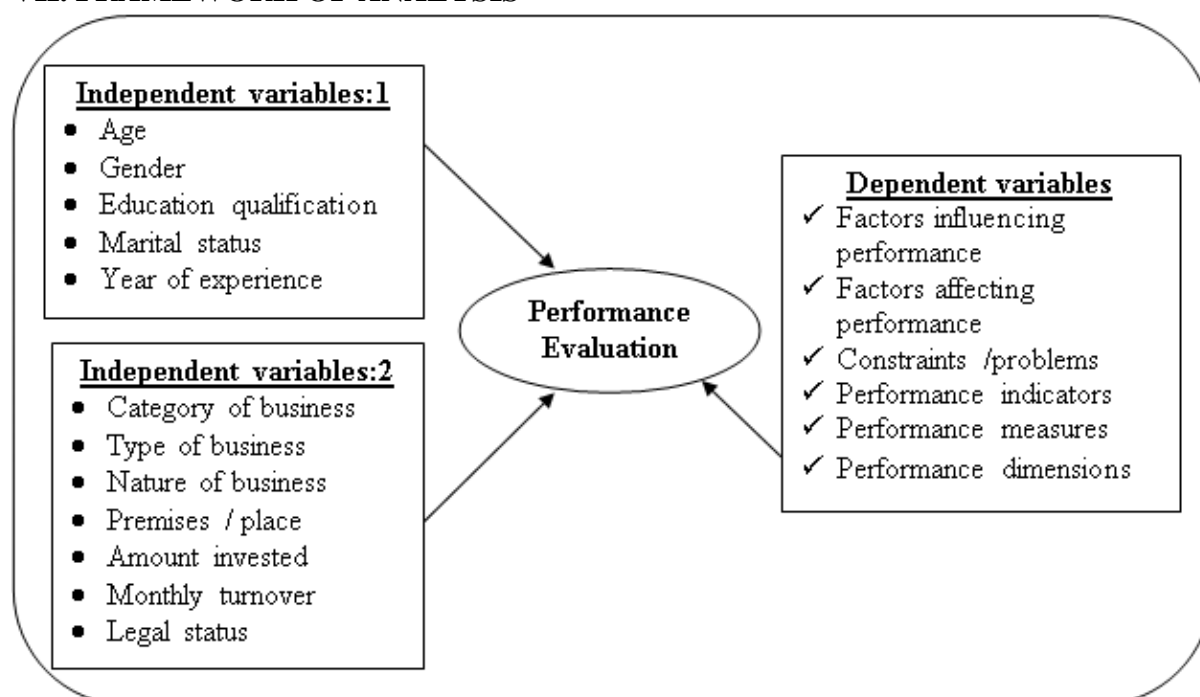
V. METHODOLOGY

- ✓ Sample size –150respondents
- ✓ Respondents –Rural Entrepreneurs (150)
- ✓ Sampling Method - Stratified sampling method,
- ✓ Sample Plan - Questionnaire (Google forms)
- ✓ Sample Unit - the enterprises (Companies/Business)
- ✓ Sample area – Tenkasi District
- ✓ Data analysis - SPSS (IBM 25.0)

VI. LIMITATIONS

- Due to time limitations, the researcher was unable to conduct extensive travel for data collection.
- The survey only included business entrepreneurs in the district of Tenkasi.
- Primary data was gathered using a questionnaire (Google Forms), which may be subject to recall bias.

VII. FRAMEWORK OF ANALYSIS



VIII. FRAMED HYPOTHESIS

Ho: There is no meaningful correlation between the independent and dependent variables.

IX. ANALYSIS OF DATA

Table 1 Distribution on profile of respondents – Percentage analysis

Sl.no	Particulars	No. of respondents	Percentage
1.	Age		
	Below 25years	17	12

	26 to 35years	26	16
	36 to 45years	30	21
	45 and above	78	51
	Total	150	100
2.	Gender		
	Male	143	94
	Female	7	6
	Total	150	100
3.	Educational qualification		
	below high school	14	8
	Higher secondary	84	57
	Graduation	30	21
	Post-Graduation	11	6
	Intermediate	3	3
	Diploma	9	5
	Total	150	100
4.	Marital status		
	Married	131	86
	Un-married	19	14
	Total	150	100
5.	Year of experience		
	Below 10 yrs.	7	6
	11-20 yrs	11	8
	21- 30 yrs	24	15
	Above 30 yrs	108	71
	Total	150	100

Source: Primary data

Table 2 Distribution on related information – Percentage analysis

Sl.no	Particulars	No. of the respondents	Percentage
1	Category of business		
	First generation	77	53
	Second generation same business	53	34
	Second generation different business	21	13
	Total	150	100
2	Type of business		
	Manufacturing	56	36
	Production	48	33
	Trading	47	31
	Total	150	100
3	Nature of business		
	Sole ownership	56	36

	Partnership/joint	27	19
	Company	32	20
	Family business	36	24
	Total	150	100
4	Business premises		
	Home	53	35
	Own building	41	27
	Rental building	57	38
	Total	150	100
5	Amount of investment		
	5 lakhs – 15 lakhs	143	96
	16 lakhs -25 lakhs	5	3
	26 lakhs and above	2	1
	Total	150	100
6	Monthly turnover		
	Upto 20000	33	22
	20001-30000	51	34
	30001-40000	38	25
	40001 & above	29	19
	Total	150	100
7	Legal status		
	Registered	141	94
	Not registered	9	6
	Total	150	100

Source: Primary data

Table 3 Distribution testing of hypothesis –Chi-square @ 5% level of significance

Sl.no	Particulars	Calculated value	Degrees of the freedom	Table value
1	Age and performance	15.959	3	7.815
2	Gender and performance	15.795	1	3.841
3	Educational qualification and performance	15.857	5	7.070
4	Marital status and performance	12.251	1	2.706
5	Year of experience and performance	12.039	3	6.251

Source: Computed data

Table 4 Distribution on relationship between indicators and performance evaluation – ANOVA

Sl.no	Particulars	Source	D.F	SS	MS	F
1	Innovation	Between groups	2	103.625	11.514	95.41**
		Within groups	335	1205.5	2.624	

2	Management capabilities	Between groups	2	544.324	60.480	21.79**
		Within groups	335	173.26	2.750	
3	Employee relation/satisfaction	Between groups	2	913.937	11.548	74.27**
		Within groups	335	1430.3	2.242	
4	Quality and brand value	Between groups	2	869.058	96.562	42.91**
		Within groups	335	134.88	2.293	
5	Intellectual capital	Between groups	2	160.484	17.83	52.49**
		Within groups	335	175.52	2.283	
6	Customer loyalty/Satisfaction	Between groups	2	137.477	17.497	69.19**
		Within groups	335	144.13	2.211	
7	Sustained Profitability	Between groups	2	108.699	12.077	45.43**
		Within groups	335	158.49	2.58	
8	Competitive strength	Between groups	2	138.625	17.625	62.32**
		Within groups	335	107.36	2.205	
9	Long term strategic goals	Between groups	2	545.109	60.568	23.15**
		Within groups	335	103.32	2.605	
10	Operational performance	Between groups	2	472.875	55.541	23.58**
		Within groups	335	135.89	2.209	
11	Suppliers	Between groups	2	753.723	83.747	69.35**
		Within groups	335	122.160	2.113	
12	Public relation(image)	Between groups	2	435.548	178.52	47.29**
		Within groups	335	352.75	51.60	
13	Financial institutions dealings	Between groups	2	194.67	198.22	29.72**
		Within groups	335	990.5	92.27	

Source: Computed data

Table 5 Distribution on profile of respondents and constraints – Factor analysis

Sl.no	Particulars	F1	F2	F3	F4	F6	h ²
1	V1	0.491	1.615	0.224	0.876	0.125	0.116
2	V2	1.192	3.578	0.932	0.859	7.226	0.121
3	V3	1.091	0.919	0.198	0.662	0.111	0.121
4	V4	0.135	0.939	0.919	0.592	0.223	0.148
5	V5	0.195	0.102	0.841	9.091	3.932	0.199
6	V6	0.143	0.466	0.666	2.091	0.198	0.129
7	V7	0.419	0.425	0.665	0.125	0.919	0.061

8	V8	0.137	1.386	1.609	0.195	0.841	0.141
9	V9	8.662	0.470	3.164	0.153	0.666	0.100
10	V10	0.366	0.317	0.371	0.419	0.665	0.137
11	V11	0.325	0.101	0.102	0.137	3.609	0.121
12	V12	0.875	2.091	0.919	2.662	3.164	0.100
13	V13	2.649	0.425	0.939	0.366	0.371	0.109
14	V14	1.319	0.195	0.102	0.325	0.102	0.166
15	V15	0.123	0.018	0.123	0.026	0.123	0.026
16	V16	0.516	0.099	0.046	0.036	0.516	0.036
17	V17	0.425	0.665	0.316	0.371	0.425	0.211
18	V18	0.823	0.154	0.115	0.043	0.823	0.115
19	V19	0.898	0.547	0.674	0.711	0.764	0.171
20	V20	0.983	0.773	0.672	0.863	0.534	1.203
21	V21	0.164	1.164	0.371	0.045	0.106	0.003
22	V22	0.193	1.164	0.992	0.145	0.060	0.001
23	V23	0.919	0.198	0.241	6.649	0.939	1.646
24	V24	0.407	0.935	0.946	0.366	0.585	1.009
25	V25	0.545	1.806	1.662	0.809	0.656	0.153
26	V26	1.932	0.840	0.366	0.013	0.757	0.408
27	V27	0.198	0.843	0.325	0.108	0.255	0.233
28	V28	0.325	0.831	0.241	0.262	0.033	0.248
29	V29	2.649	1.405	0.654	0.241	0.198	0.505
30	V30	0.823	0.154	0.516	0.023	0.417	0.872
31	V31	1.425	0.665	0.316	0.655	0.613	0.747
32	V32	0.466	0.665	0.452	0.325	0.102	0.866
33	V33	0.241	3.609	1.616	0.875	0.919	1.211
34	V34	0.989	0.986	0.976	0.447	0.570	1.002
35	V35	0.939	0.919	4.567	4.319	0.102	0.875
36	V36	0.102	0.841	4.712	0.428	0.466	0.545
37	V37	0.466	0.666	0.370	0.201	0.425	0.900
38	V38	0.417	3.386	4.525	5.619	3.386	0.861
39	V39	0.111	0.241	0.666	0.466	0.470	0.466
40	V40	0.466	0.452	4.319	0.417	0.417	1.032
41	V41	0.875	1.616	0.428	0.545	0.101	1.165
42	V42	0.666	0.417	5.619	0.111	0.241	0.829
43	V43	0.325	0.201	0.102	0.137	3.609	0.121
44	V44	0.875	1.091	0.919	2.662	3.164	0.100
45	V45	2.649	1.125	0.939	0.366	0.371	0.109
46	V46	1.319	1.195	0.102	0.325	0.102	0.166
Eigen Value		2.091	3.319	3.164	4.844	2.227	
Percentage of variation		12.291	13.154	15.358	14.598	15.906	

Extraction Method: Principal Component Analysis. Rotation Method: Varimax with Kaiser Normalization, A Rotation converged in 46 iterations

Source: Computed data

Table-6 Chi-Square test results between the Category of Business and Amount of Investment

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	25.645 ^a	4	0.000
Likelihood Ratio	14.994	4	0.0
Linear-by-Linear Association	0.01	1	0.919
N of Valid Cases	150		
a. 5 cells (25.645%) have expected count less than 5.			

Source: Computed data

The amount of investment and the business category have a strong connection, according to the Pearson chi-square findings of.000, which is smaller than the table value of.05.

Table 7 Distribution on profile of respondents and dependent variables – Correlation

S.No	Correlation	Pearson	Spearman rho
1	Profile	0.497	0.429
	Factors influencing	0.316	0.397
2	Profile	0.269	0.105
	Factors affecting	0.662	0.866
3	Profile	0.538	0.803
	Performance dimensions	0.271	0.054
4	Profile	0.072	0.198
	Performance measures	0.876	0.670

Source: Computed data

X. FINDINGS OF THE STUDY

Profile of respondents (percentage analysis):

The results show that the majority of responders are above 45 years old, with 34 respondents (52%) in this category. In terms of gender, 62 respondents (95%) are male. Regarding marital status, 57 respondents (87%) are married. As for educational qualifications, 35 respondents (56%) have completed higher secondary education. Additionally, 46 respondents (72%) have over 30 years of experience.

Related information (percentage analysis):

The study reveals that most respondents belong to the first-generation business category, with 33 respondents (51%) in this group. Regarding the type of business, 24 respondents (37%) are involved in manufacturing. In terms of business ownership, 24 respondents (37%) operate as

sole proprietors. As for business premises, 25 respondents (38%) own their premises. The investment amount for 53 respondents (96%) falls between 5 lakhs and 15 lakhs. The monthly turnover for 22 respondents (34%) ranges from 20,001 to 30,000, and the legal status of 61 respondents (94%) is registered.

Testing of hypothesis (Chi-square):

The analysis shows that the calculated chi-square rejects the null hypothesis as the value is greater than the table value. Therefore, the performance of entrepreneurs in the study region is shown to be significantly correlated with the demographic profile of the respondents.

Testing of other hypothesis (ANOVA):

The table above clearly shows that all 13 variables were marked as "Rejected," showing that the respondents' performance metrics and entrepreneurs' performance do not significantly vary from one another. Therefore, the null hypothesis is rejected.

Factor analysis (component matrix):

The findings indicate that all the variables exhibited positive loading, suggesting a significant relationship between each of the variables.

Chi-Square test

Chi Square results between the Category of Business and Amount of Investment: The company type and amount of investment have a strong link, according to the Pearson chi-square results of.000, which is less than the table value of.05.

Correlation:

The results show a perfect positive linear connection between the variables, with a significant positive correlation.

XI.SUGGESTIONS AND RECOMMENDATIONS

To the Entrepreneurs

1. An association could be established to regularly meet at a central location to discuss the entrepreneurs' needs, challenges, and achievements.
2. The absence of saving habits is a fundamental issue, so entrepreneurs should be encouraged to save more and reduce unnecessary expenses, especially during times of surplus.
3. Entrepreneurs must do all in their ability to reduce product waste due to inadequate inventory management.
4. The lack of education and exposure to financial management practices and account maintenance hinders proper planning and business development. This issue can be addressed through appropriate training programs.

To the Government

1. The government and other organizations should organize programs to identify the potential of rural entrepreneurs.

2. Since the respondents find the loan procedures in banks complicated, the process and formalities should be simplified, with the necessary documents reduced and available in regional languages.
3. Regular updates of knowledge through entrepreneurship development programs can help overcome the limitations caused by lack of exposure.
4. Ongoing training programs will support entrepreneurs in building self-confidence, self-esteem, assertiveness, courage, and a willingness to take risks.

XII. CONCLUSION

To achieve worldwide quality requirements and attain economic efficiency, rural entrepreneurs must urgently upgrade their technology in the current environment. The processes of liberalization and globalization have made technological advancement and Proper marketing and associated infrastructure development are crucial. To be competitive worldwide, rural entrepreneurs need to move faster from their present methods to better ones in terms of design and quality. Continuous adaptation and innovation will be crucial for maintaining long-term competitiveness. To achieve this, entrepreneurs must use economies of scale, efficient management techniques, and innovative technology. To encourage vertical development and improve competitiveness, the government has already raised the investment maximum on resources and machinery for certain SSI sector subsectors.

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