

# IMPACT OF KEY ENTREPRENEURIAL SKILLS ON BUSINESS SUCCESS OF RURAL MICRO- ENTREPRENEURS

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**Abstract:** Rural micro-entrepreneurs are vital role in economies and significant contribution in development of a country like India. This article is to analyze the dimensions of micro-entrepreneurs in Erode rural areas. Sample size for this study is 100 from six taluks of Erode district. From the previous study here identify the dimensions of skills related to leadership, Communication, Relationship, Technical and inborn aptitude. The study analyzes all the above skills for micro-entrepreneurs' development in rural area. The study concludes relationship and the effect of the skills are important for any business.

**Index Terms** - Micro-Entrepreneurs, Entrepreneurial Skills, Erode

## I. INTRODUCTION

Rural micro-entrepreneurship is blue print for the poverty alleviation and economic development for any nation. It focuses mainly on concern job creation and use of minimal resources in any business. Any micro-enterprise according to MSME Development [MSMED] Act (2006) an investment up to 2.5 million in plant and machinery for mechanized business and up to 1 million in equipments for service related business.

MSME sectors are biggest contribution after agriculture sector. By comparing with agriculture sector GDP is more than agriculture sector. MSME contributes 45% in manufacturing and 40% in exports and it is contributes highest share in employment (Dev Patel 2017).

Central and State governments have launched a number of schemes launched to develop the micro-entrepreneurship. In Tamil Nadu and Union of Puducherry nearly 13,00,000 of registered in MSMEs it providing job to more than 80,00,000 with the total investment of 1,31,110 crore (Annual Progress Report 2016-17).

Following to the above report the entrepreneurs need some special skills for business development. Some of the skills have been identified from various previous research studies such as leadership, Communication, Human relation, Technical and Inborn aptitude.

## II REVIEW OF LITERATURE:

### 2.1 International context

According to the Wickham the skills are fundamental the facts of a person that is directed by his own proceedings and ability to achieve in a constructive way. In Maier (1965) study, the skills are the inborn aptitudes (that develop without training) and the achievement (that result out of training). According to the Szilagyi and Schweiger (1984) study the entrepreneurs need some skills to achieve them great performance. From the Kunene (2008) study the entrepreneur's skill is a vital for determinant of business success. According to the Herron (1990) research he has identified 7 set of skills needed for entrepreneurial triumph. These skills are business, leadership, networking and technical. According to the Chandler and hanks (1994) study the entrepreneurs need certain qualities to deliver their tasks and manage employee and relationship of customer.

### 2.2 Indian context

According to the Shaw et al. (2010), the success of any entrepreneurs in India is a role of his traits, attitude, skills and environment factors. The study conducted by Rai and Dubey (2012), India, the skills need for an entrepreneurs can be classified into three first technical, environment study, technical business management, inter-personal relationship, listening, network building and management style. Second business management skills, involving effective communication, planning and goal settings, decision making, human relations, marketing, finance, accounting, management, control, negotiation, venture launch and managing growth and finally personal entrepreneurial skills, involving control over oneself, risk taking, innovativeness, change oriented, persistency, innate qualities. From the Meher and Sahoo (2008) study the skills of communication, Technological and marketing are the more important in entrepreneurial success.

## III RESEARCH OBJECTIVES

### 3.1 The objective of the present study aims

- To analyze the impact of important entrepreneurial skills on business success of the micro entrepreneurs.
- To know the current status of micro entrepreneurs located at Erode district

### 3.2 RESEARCH METHODOLOGY

Research methodology is a technique to scientifically answer the research problem. It may be understood as a science of studying how research is done scientifically.

#### 3.2.1 Research Design

This study is descriptive research design. Descriptive study means describe the characteristics of the respondent group viz., rural micro entrepreneurs.

#### 3.2.2 Population of the Study:

The population of the study is rural micro entrepreneurs located at rural areas of Erode district.

#### 3.2.3 Sampling design:

The proportionate stratified random sampling method will be used to select the micro entrepreneurs in Erode district. Small industries from all the sectors will be chosen for the study.

#### 3.2.4 Sample Size:

The sample size of the study will be 100 micro entrepreneurs belong to various sectors.

#### 3.2.5 Area of study:

Study areas for this study are six taluks of Erode district such as Anthiyur, Bhavani, Gobichettipalayam, Sathiyamangalam, Perundurai and Erode (Census 2011).

### 3.3 DATA COLLECTION

While deciding about the method of data collection for the study, the primary data and secondary has been taken.

#### 3.3.1 Primary Data

The primary data will be collected through well prepared questionnaires.

#### 3.3.2 Secondary Data

The secondary data includes Old records, Journals, Key sites.

#### 3.3.3 Tools Used

- Simple Percentage Analysis
- Chi Square test
- Correlation and Regression
- One way ANOVA

### IV ANALYSIS & INTREPRETATION:

#### 4.1 CHI-SQUARE TEST

This analysis has used to find out importance of leaderships skill and Communication skills for business success of micro entrepreneur

#### Hypothesis 1:

**Null hypothesis:** There is no significant between area of the respondent and level of important leadership skills of the respondent in entrepreneurship

**Table 1: TO ANALYZE THE IMPACT AREA OF THE RESPONDENT AND LEVEL OF IMPORTANT LEADERSHIP SKILLS IN ENTREPRENEURSHIP**

Area	leadership skills			Total	Chi-square value	P value
	Not important	Important	Very important			
3 Rural	33	31		67		
5.4	30.8	30.8				
4 Urban	5	6		15		
1.2	6.9	6.9			8.575	.073
1 semi urban	8	9		18		
1.4	8.3	8.3				
8	46	46		100		
<b>Total</b>						

Note: 1. Level of significant 5%

Since P value is less than 0.05, the null hypothesis is rejected at 5% level of significance. Hence there is significant between area of the respondent and level of important of leadership skills. Based on row level percentage rural area 5.4% are no important in level of leadership skills, 30.8% are important in level of leadership skills, 30.8% are very important in level of leadership skills.

The urban area 1.2% is not important in level of leadership skills, 6.9% are important in level of leadership skills, 8.3% are very important in level of leadership skills. The semi urban area 1.4% are not important in level of leadership skills, 8.3% are important level of leadership level in leadership skills, 8.3% very important in level of leadership skills. Hence urban area 1.2% is not important of in leadership skills and rural area 30.8% are very important of in level of leadership skills.

#### Hypothesis 2:

**Null hypothesis:** There is no significant between area and level of important Communication skills is entrepreneurs

**Table 2: TO ANALYZE THE IMPACT AREA OF THE RESPONDENT AND LEVEL OF IMPORTANT COMMUNICATION SKILLS IN ENTREPRENEURSHIP**

Area	communication skills			Total	Chi-square Value	P-value
	Not important	important	Very important			
Rural	2	15	50	<b>67</b>	<b>8.459</b>	<b>.076</b>
	3.4	19.4	44.2	<b>67.0</b>		
Urban	2	7	6	<b>15</b>		
	.8	4.4	9.9	<b>15.0</b>		
semi urban	1	7	10	<b>18</b>		
	.9	5.2	11.9	<b>18.0</b>		
<b>Total</b>	<b>5</b>	<b>29</b>	<b>66</b>	<b>100</b>		
	<b>5.0</b>	<b>29.0</b>	<b>66.0</b>	<b>100.0</b>		

Notes: level of significance 5%

Since P value is less than 0.05, the null hypothesis is rejected at 5% level of significance. Hence there is significant between areas of the respondents and level of important communication skills of the respondents. Based on row level percentage rural area of the respondents 3.4% are no important in level of communication skills, 19.4% are important level in communication skills, 44.2% are very important level in communication skills. The urban area 0.8% is not important level in communication skills, 4.4% are important level in communication skills, 9.9% are very important in communication skills. The semi urban areas 0.9% are no important level in communication skills, 5.2% are important level in communication skills, 11.9% very important level in communication skills. Hence urban areas 0.8% are no important in communication skills and rural areas 44.2% are very important in communication skills.

#### 4.2 FREQUENCY DISTRIBUTION

This analysis has used to find frequency distribution of respondents in Erode district

**Table 3: ANALYZE THE FREQUENCY DISTRIBUTION OF AREA**

Area	Frequency	Percent
Rural	67	67.0
Urban	15	15.0
semi urban	18	18.0
<b>Total</b>	<b>100</b>	<b>100.0</b>

From the above table shows the 67% of respondents are in rural areas, 15% of of respondents are urban areas, 18% of respondents are in semi urban areas. Maximum number of responded 67% of rural areas, minimum number of responded 15% of

urban areas.

#### 4.3 CORRELATION ANALYSIS

To identify the prospects and challenges of rural micro entrepreneurs

**Table 4: SPEARMAN RANK CORRELATION BETWEEN SUCCESS FULL ENTREPRENEURS SKILLS**

Success Full Entrepreneurs Skills	leadership	Communi cation	decision making	Innovative thinking	self confidence
leadership	1	.568**	.325**	-0.371**	-0.168
		.000	.001	.000	0.095
		100	100	100	100
communication		1	.337**	-.428**	-0.128
			.001	0.000	0.206
			100	100	100
decision making			1	-0.210*	0.158
				0.036	0.117
				100	100
innovative thinking				1	0.453**
					0.000
					100
self confidence					1

\*\* . Correlation is significant at the 0.01 level

\* . Correlation is significant at the 0.05 level

The correlation coefficient between skills leadership skills of the respondent and communication skills of the respondent 0.568, which indicate 56.8% positive relationship between success on leadership skills of the respondent and communication of the respondent and is significant at 1% level. The correlation coefficient between skills of entrepreneurs' leadership skills of the respondent and decision skills of the respondent 0.325, which indicate 32.5% positive relationship between leadership skills of the respondent and decision of the respondent and are significant at 1% level. The correlation coefficient between skills of entrepreneurs' leadership skills of the respondent and a innovating thinking skill of the respondent is -0.371, which indicate 37.1% positive relationship between leadership skills of the respondent and innovating thinking of the respondent is significant at 1% level and similarly the other success skills are positively correlation with each others.

#### V CONCLUSION

This present study was answer to the objective of the study. It provides some close to the understanding of the skill-related factors to the entrepreneurial success. This study carried out driving agents for entrepreneurial success in Erode rural area such as leadership, Communication, Human relationship, Technical and inborn aptitude. A technology based innovative firm brings huge success to the economy of any area. This study shows some special skills require for an entrepreneur for their success.

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