

CREATIVITY, INNOVATION AND ENTREPRENEURSHIP

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A Study on Development of Fast Food Industry in Madurai District

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INTRODUCTION

Entrepreneurial competence makes all the difference to the rate of economic growth. An entrepreneur's initiative to start a unit is triggered by many factors both internal and external. Entrepreneurs play a key role in the economic development of a country. Importance of development of entrepreneurship as an ingredient of economic development has been recognized long time back. It was as early as 1950 that the need for entrepreneurial development was first felt and since then a substantial amount of research has gone into this sphere.

Of late, entrepreneurship development has become extremely important in achieving the goals of all-round development in the country. Consequently, many entrepreneurial opportunities are emerging in various fields. Be it electronic, medicine, engineering, agriculture, communication, atomic energy, telecommunication, food technology and packaging, entrepreneurial opportunities have surfaced at rapid pace in all these and many other areas.

During the last two decades while rapid technological progress has made the production process more knowledgeable and/or capital intensive across a wide range of industries, limiting the creation of new employment opportunities particularly for the unskilled work forces, downsizing policies to the firms through mergers, acquisitions and other restructuring exercises have put the future of their existing employees at stake. Besides, in many cases, the lakhs of under and postgraduates also see the firms closing doors for them as they lack professional training, skill and the kind of orientation required to work in a competitive environment. This coupled with the problem of large and growing population has made the problem of unemployment more acute one in many of the developing countries across the globe.

In India, state and private entrepreneurship co-exist. The small-scale industrial sector and business are left completely to private entrepreneurs. Small-scale enterprise is a breeding ground for entrepreneurship. Conversely, that the rapid growth of small-scale sector is mainly due to the entrepreneurship development is also true. It is, therefore, in this context that an increasingly important role has been assigned for the identification and promotion entrepreneurs to this sector.

Peter F Drucker, the well-known management expert, defines an entrepreneur as one who always searches for change, responds to it and exploits it as an opportunity. Entrepreneurs innovate and innovation is a specific instrument of entrepreneurship according to one definition that has emerged very recently, and entrepreneur is a person who senses opportunity for economic gain in the socioeconomic spheres around him and initiates activity leading to production/distribution/

service, through interaction of men and materials. Entrepreneurship involves taking risks or making investment under conditions of uncertainty and to innovate, plan and take decisions so as to increase production, productivity and profits. Growth oriented development is the cornerstone of entrepreneurs.

OBJECTIVES OF THE STUDY

- To study the factors responsible for setting up of fast food units as entrepreneurial units.
- To study the problems faced by entrepreneurs in this fast food industry.

DATA COLLECTION

The *data were* collected using primary as well as secondary sources. Primary data were collected through the questionnaire designed for the study and through personal interviews. Additional information was procured by interviewing the respondents. The secondary sources for the study include magazines, journals, internet, etc.

ANALYSIS

Data collected was analyzed using statistical tools. In order to examine the relationship between impetus factors of entrepreneurship and demographic factors Chi-square test was used.

HYPOTHESIS

Impetus factors for Entrepreneurship are dependent on the demographic factors of entrepreneurs like Age, Sex, Educational Qualification and previous occupation.

SAMPLE DESCRIPTION

Fast food industry is increasingly assuming more importance with the phenomenal increase in the number of users in various ways. There is more scope for entrepreneurial opportunities. The market for the fast foods is not confined to a particular area. But is spread over the country and outside. Fast food restaurants and other street vendors in fast food shop have seen tremendous growth in the last decade or so. This covers all age group people (children, adults, middle age and old age groups) because of the taste and convenience people of all age group.

Table 1

<i>S. No.</i>	<i>Period of Establishment</i>	<i>No. of Respondents</i>	<i>Percentage</i>
1.	1990–1995	6	6
2.	1995–2000	21	21
3.	2000–2005	20	20
4.	2005–2010	40	40
5.	2010–2012	13	13
	Total	100	100

As study is on Entrepreneurship development with reference to fast food industry, the entrepreneur of the industry constitutes the universe. And the entrepreneurs are unit surveyed for this research work. The sample for the study consists of 100 fast food units that were selected using convenience sampling method.

Out of 100 organizations the above table explicit (6) was established between 1990–1995, some (21) organisations were established between 1995–2000 and (20) organisations were established in between 2000–2005 and the few of 40 organisations were established in between 2005–2010 and the remaining 13 organisations were established in between 2010–2012.

Table 2

<i>S. No.</i>	<i>Investment Factors</i>	<i>No. of Respondents</i>	<i>Percentage</i>
1.	Partner	30	30
2.	Self financed	13	13
3.	Friends	17	17
4.	Various Banks	40	40
	Total	100	100

The ownership patterns revealed that enterprises are more or less equally distributed between sole proprietorship and partnership form of organisation. Most of the enterprises (30) procured investment from partners, some (13) enterprises are self-financed, and the some (17) partners are borrowing fund from friends and most of them (43) depend on commercial banks, co-operative societies as a source of investment.

Out of 100 respondents (entrepreneurs), 68% of the respondents are Male. A majority of (45%) of the entrepreneurs' age was between 30–40 years at the time of starting their organizations, some (35%) entrepreneurs' age was between 20–30 years and only (14%) entrepreneurs age was between 40–50 years, and the remaining of some 6% of the respondents' age was between 50–60.

IMPETUS FACTORS FOR ENTREPRENEURS:

An entrepreneur's initiative to start a unit is triggered by many factors. The internal motivating factors like Education, Occupational experience, Family background, the desire to do something independently and the desire to branch out, together make the personality of the entrepreneur.

The external factors like assistance from government, assistance from financial institutions, availability of technology/Raw material and other factors like demand of the particular product, utilization of excess money earned from contractual estate business, no chance for further promotion, etc. These factors serve as a spark in the lightning of the entrepreneurial idea.

IMPETUS FACTORS OF FAST FOOD ENTREPRENEURS

In present study the following motivating factors are considered as impetus factors for entrepreneurs with the use of Likert five point table score value percentage (%) (see Table 3). From Table 3 it is evident that, many respondents were inspired by relatives/friends to start a unit. They played a major role in motivating the respondents to become an entrepreneur. This is

quite obvious from the fact that (74.07%) out of 100 respondents indicated this factor as the impetus factor opportunity to start an enterprise. In addition to this factor, success stories of entrepreneurs (73.80%) availability of skilled and trained manpower (65.90) also motivated the respondents to become an entrepreneur to a great extent. In addition to this factor, availability of infrastructure, resources and market (72.34%) was also considered as the main driving force for many entrepreneurs. Some of the entrepreneurs attributed factors like assistance from small industry development (70.59%), contacts with business people (62%), dissatisfaction with the previous job (55%), as the motivating factors for entrepreneurship.

Table 3

S. No.	Impetus Factor	No. of Responses	Likerts Five Point Score	Percentage (%)
A	Contacts with business people.	67	210	62.68
B	The support/assistance from the small industry development organisations.	85	300	70.59
C	Lack of job opportunities.	64	225	70.31
D	Dissatisfaction of the previous job.	35	97	55.43
E	The availability of infrastructure resources and market.	47	170	72.34
F	Inspiration of relatives/friends.	58	150	60.34
G	Gained necessary experience.	66	180	54.54
H	The opportunity of starting an ancillary to a large unit.	54	200	74.07
I	To gain higher socio-economic status.	38	100	52.63
J	Success stories of entrepreneurs.	84	310	73.80
K	Have surplus funds.	72	224	62.22
L	Confidence gained by education/training under gone.	61	210	68.85
M	Be an employer, never an employee.	52	150	57.69
N	Fulfill father's ambition.	59	190	64.4
O	The availability of skilled and trained manpower.	44	145	65.90

INFLUENCE OF FAMILY MEMBERS

Table 4: Influence of Family Members

S. No.	Influence	No. of Respondents	Percentage
1.	Father	5	5
2.	Mother	23	23
3.	Brother	11	11
4.	Spouse	20	20
5.	Sister	2	2
6.	Friends	39	39
	Total	100	100

Both internal as well as external factors helped entrepreneurs establish and run their own enterprises. Family members, relatives and friends provided the support. Financial backing from friends and relatives and their support provided confidence to the entrepreneurs. From the Table 4 it is evident that a majority of respondents were influenced by friends, followed by spouse, and few entrepreneurs were influenced by their Mother.

Table 5: Major Difficulties Faced by the Units

S. No.	Difficulties	No. of Responses	Percentage
1.	Procurement of materials	5	5
2.	Procurements of machinery, tools and spare parts	4	4
3.	Major breakdowns of the plant	23	23
4.	Repairs and maintenance of machinery	17	17
5.	Availability of labour	3	3
6.	Transport	12	12
7.	Supply of power and water	21	21
8.	Marketing of products	4	4
9.	Procurement of working capital	11	11
	Total	100	100

From the analysis it is evident that a majority of respondents (23%) have said that major breakdowns of the plant was their main difficulty. Most of the respondents (21%) have expressed the difficulty of supply of power and water and few expressed that they have (17%) Repairs and maintenance of machinery. Others expressed that they have not encountered with any major problem in running the units.

Relationship between impetus factors and demographic variables (age, educational qualification and previous occupation):

An attempt is also made to establish relationship between Demographic factors of the entrepreneurs and the impetus factors of the entrepreneurship. The Demographic factors selected for the purpose of study are Age, Educational Qualification and previous occupation. Chi-square values have been used to establish relationship between demographic factors and impetus factors. Calculated Chi-square values are compared with table value at 5% level of significance. If the calculated value is less than the table value, the null hypothesis, that the two variables under consideration are independent is confirmed. On the other hand if the calculated value is more than the table value, the hypothesis that the two variables tested are independent is refuted and the relationship is established.

From the analysis it is clear that the calculated Chi-square value (6.36) is less than the table value (23.68), we accept the null hypothesis that the Impetus factors and the age of entrepreneurs are independent to each other. It can be concluded that there is no significant relationship between the two variables.

FINDINGS AND SUGGESTIONS

1. The Majority of 40% of organisations were established in between 2005–2010.
2. Most of the enterprises (40) procured investment from Financial Institutions.

3. A majority of (45%) of the entrepreneurs' age was between 30–40 years at the time of starting their organizations.
4. They played a major role in motivating the respondents to become an entrepreneur. This is quite obvious from the fact that (74.07%) out of 100 respondents indicated this factor as the impetus factor to start an enterprise. In addition to this factor, Success stories of entrepreneurs (73.80%) availability of skilled and trained manpower (65.90) also motivated the respondents to become an entrepreneur to a great extent. In addition to this factor, availability of infrastructure, resources and market (72.34%) was also considered as the main driving force for many entrepreneurs.
5. It is evident that a majority of respondents were influenced by friends, followed by spouse, and few entrepreneurs were influenced by their Mother.
6. It is evident that a majority of respondents (23%) have said that breakdowns of the plant was their main difficulty. Most of the respondents (21%) have expressed the difficulty of supply of power and water.
7. It is found that most of the entrepreneurs were inspired by relatives/friends to start a unit. In addition to this factor, availability of infrastructure, resources and markets was also considered as the main driving forces for many entrepreneurs.
8. Financial backing and support was provided by friends and relatives, which in turn helped the entrepreneurs to run their business successfully.
9. Most of the entrepreneurs expressed that procurement of raw materials and availability of labour is a major concern.
10. It is identified that there is no significant relationship between demographic variables (Age, Educational Qualification, and previous occupation) and impetus factors.
11. Many of the entrepreneurial units have undergone changes and improvements in their design and technology used.

SUGGESTIONS

In spite of different measures and initiatives undertaken by the government, keeping in view of increasing significance of entrepreneurship in the economic development of the country, the government has to give more emphasis and encourage entrepreneurship:

1. Many people are not aware of the fast food business entrepreneur opportunities available. Though the government is offering different types of incentives and assistance, still many people are in the dark. There is a dire need to create awareness about entrepreneur opportunities and entrepreneurial assistance available.
2. Entrepreneurs need guidance right from the formulation of the project till its implementation. In addition to financial assistance, training place a vital role in initiating and accelerating the process of entrepreneurial development.
3. Wide publicity should be given about the financial assistance and other incentives that are offered by the government.
4. Widespread awareness need about fast food development with healthy fast food education is required to enable rock mining operations to be environment friendly.

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