International Journal of Management Research and Social Science (IJMRSS) ISSN 2394-6407(Print)
Volume 11, Issue 4, October – December 2024 ISSN 2394-6415(Online)

Exploring the Impact of Entrepreneurial Skill Development on Business Operations: A Study of Micro Entrepreneurs in Chennai

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Abstract — India is a country known for its thriving business environment, with a significant proportion of its population, ranging from approximately 70 percent to as high as 80 percent, being self-employed. Encouraging entrepreneurial development and income-generating endeavors serves as a practical approach towards empowering individuals and addressing the issue of unemployment. The study was exploratory in nature and a combination of qualitative and quantitative research approach was adopted. The study was mostly based on the primary data sources and questionnaire and personal interview methods were adopted to collect the data. Based on a sample of 120 Micro Entrepreneurs (both men and women entrepreneurs) in Chennai district, descriptive and inferential analysis were carried out. Independent Sample "t" test, One-way ANOVA, Correlation and Multiple Regression Analysis were used to test the hypotheses. The research revealed that there is a strong relationship between the Entrepreneurial skill development and business operations of Micro Entrepreneurs. The study found that out of five Entrepreneurial skill development, the impact of Behavioural Skills on Business Operations is more than others. The study suggests that the Micro Entrepreneurs should take proactive steps to develop their entrepreneurial skills and improve the business operations by which they can increase their business performance. The study proved that various entrepreneurial skill development would lead to better business operations of Micro Entrepreneurs.

Keywords — *Micro Entrepreneurs, Entrepreneurial Skill Development, Business Operations, Business Management Skills, Behavioural Skills, Technical Skills.*

1. Introduction

India is a country known for its thriving business environment, with a significant proportion of its population, ranging from approximately 70 percent to as high as 80 percent, being self-employed. Encouraging entrepreneurial development and income-generating endeavors serves as a practical approach towards empowering individuals and addressing the issue of unemployment. By engaging people in entrepreneurship, they can discover and utilize their unique talents and abilities. The positive impact of micro-entrepreneurship is evident in its contribution not only to the sustainable growth of individuals but also to the overall economic progress of the nation. Entrepreneurial skills refer to the abilities and traits that enable individuals to identify, create, and successfully manage business opportunities. Development of these skills are crucial for entrepreneurs to navigate the challenges of starting and running their ventures. The aim of the study is to analyse the various entrepreneurial skills possessed and developed by the entrepreneurs and their impact on business operations of the Micro Entrepreneurs in Chennai District.

2. Objectives of the Research

The Objectives are the questions to be answered through the study. The following are the objectives of this study:

- To study the Demographic and Business Profile of the Micro Entrepreneurs in Chennai District.
- To identify and analyse the various entrepreneurial skills possessed/developed by theMicro Entrepreneurs in Chennai District.
- To assess the impact of entrepreneurial skill development on business operations of Micro Entrepreneurs in Chennai District.

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3. Review of literature

Liao and Welsch (2005) examined the relationship between entrepreneurial skills and business growth. They found that entrepreneurs with well-developed skills, such as networking, strategic planning, and opportunity recognition, were more likely to identify growth opportunities, expand their businesses, and achieve higher levels of growth. Vasanthakumari (2008) made an attempt to examine the role of micro enterprises in Empowering women in Kerala. The study revealed that these enterprises helped in empowering rural women economically, socially and individually. The study suggested giving priority to commercial viability of enterprises. Bruton et al. (2010) examined the relationship between entrepreneurial skills and business sustainability. They found that entrepreneurs who possessed skills in adaptability, risk management, and strategic planning were better equipped to navigate uncertainties and build sustainable businesses, ensuring their long-term success and

DOI: **10.30726/ijmrss/v11.i4.2024.11416**

survival.

4. Research Methodology

The study was exploratory in nature and a combination of qualitative and quantitative research approach was adopted. A survey design is used to obtain the required information. The study was mostly based on the primary data sources and questionnaire and personal interview methods were adopted to collect the data. The population for this study comprises of Micro Entrepreneurs running their business in Chennai district, Tamil Nadu. A sample size of 120 (both male and female micro entrepreneurs) was finalized for this study by adopting Convenience Sampling, a type of Non-Probability Sampling technique. The study covered only the major parts of Chennai district, Tamil Nadu. Descriptive and inferential statistical analysis were carried out. Frequency & Percentage Analysis, Mean Analysis, Independent Sample "t" test, One-way ANOVA, Correlation and Multiple Regression Analysis were used to analyse the data and test the hypotheses. Statistical Package for the Social Sciences (SPSS) version 22 was used for the statistical analysis.

5. Results and Discussion

This chapter presents the analysis and interpretation of the data collected from aviation students to assess their finger dexterity and two-hand coordination. The study was conducted on 200 aviation professionals, comprising 100 males and 100 females, within the age range of 17 to 24 years. The results provide insights into the efficiency of hand and finger strength, as well as the speed and accuracy of movements essential for aviation-related tasks.

6. Data Analysis and Results

6.1 Demographic Profile Of The Micro Entrepreneurs

Table 1: Demographic Profile Of The Micro Entrepreneurs (Sample Size = 120)

VARIABLES	OPTIONS	FREQUENCIES	(%)
Gender	Male	78	65.00
	Female	42	35.00
Age	Up-to 40 Years	65	54.17
	41 - 50 Years	39	32.50
	Above 50 Years	16	13.33
Marital Status	Married Unmarried	74	61.67
		46	38.33
Qualification	School/Diploma	58	48.33
	Graduation	44	36.67
	Professional	18	15.00
Family Background	Business Background	53	44.17
	Non-Business Background	67	55.83
Previous Work Experience	Salaried Job	54	45.00
	Assisting to family Business	38	31.67
	No Experience/Fresh	28	23.33

Source: Primary Data

From the above table relating to Demographic Profile of the Micro Entrepreneurs, it is inferred that 65% of the micro entrepreneurs are male and 54% of them belongs to the age group of up-to 40 Years. Majority of the micro entrepreneurs are married (61.67%) and 48% of them have school/diploma education. 55.83% of the micro entrepreneurs have no business background and 45% of the micro entrepreneurs had a previous experience from salaried job and 23.33% of them have no previous experience (Fresh) in any work.

6.2 Business Profile of the Micro Entrepreneurs

Table 2: Business Profile of the Micro Entrepreneurs (Sample Size = 120)

VARIABLES	OPTIONS	FREQUENCIES	(%)
How did you start Micro Entrepreneurship ?	On my own	62	51.67
	Persuasion by others	58	48.33
Reason for starting Micro Entrepreneurship	Improving Social Status	32	26.67
	Income generation	43	35.83
	Self-Employment	28	23.33
	To utilize my Skills	17	14.17
Geographical Area of Business Operations	District level	67	55.83
	State Level	32	26.67
	National/global level	21	17.50
Period of running the Micro Entrepreneurship	Less than 5 years	35	29.17
	5 – 10 Years	69	57.50
	Above 10 Years	16	13.33
Size of Micro Entrepreneurship (No. of employees)	1 – 3 Employees	64	53.33
	4 – 5 Employees	41	34.17
	Above 6 Employees	15	12.50
Nature of Business Activity	Production	42	35.00
	Trading	48	40.00
	Services	30	25.00
Annual Turnover	Up-to 20 Lakhs	60	50.00
	20 – 40 Lakhs	37	30.83
	More than 40 Lakhs	23	19.17

Source: Primary Data

DOI: **10.30726/ijmrss/v11.i4.2024.11416**

From the above table relating to Business Profile of the Micro Entrepreneurs, it is inferred that 55% of the micro entrepreneurs started micro entrepreneurship on their own. Income generation is the major reason for starting micro entrepreneurship followed by improving social status. In terms of Geographical Area of business operation of micro entrepreneurs, majority of them operated at district level (55.83%). 57.50% of them are running micro enterprises for 5 to 10 years and 53.33% of them have 1 – 3 employees. 40% of them are involving Trading activities. 50% of the micro entrepreneurs are running their business with the annual turnover up-to 20 Lakhs.

6.3 Entrepreneurial Skill Development Of Micro Entrepreneurs

In this study, four major entrepreneurial skills are considered to examine the impact on Business Operations of the Micro Entrepreneurs. 3 questions for each skill are given in the questionnaire with 5-point Likert Scale (Strongly Disagree to Strongly Agree).

Table 3: Entrepreneurial Skill Development of Micro Entrepreneurs

ENTREPRENEURIAL SKILL DEVELOPMENT	N	Mean	SD
Business Management Skills	120	11.33	3.857
Critical Thinking and Problem-Solving Skills	120	10.27	4.120
Behavioural Skills	120	12.81	3.354
Technical Skills	120	9.84	4.569
Entrepreneurial skill development of micro Entrepreneurs	**120**	**44.25**	**6.842**

Source: Primary Data

From the above table, it is found that the 'Behavioural Skills' (M = 12.81) is the top most entrepreneurial skills and 'Technical Skills' (M = 9.84) top-least entrepreneurial skills possessed/developed by the micro entrepreneurs when compared with others. The Overall Mean value of the Entrepreneurial Skill Development of Micro Entrepreneurs is 44.25. This is above 73.75% (44.25/60 x 100). This indicates that the Entrepreneurial Skills possessed/developed by the Micro Entrepreneurs is above 73%.

H0: There is no significant difference between Male and Female Micro Entrepreneurs with respect to Entrepreneurial Skill Development.

An independent-samples t-test was conducted to compare the difference between the Male and Female Micro Entrepreneurs with respect to Entrepreneurial Skill Development.

Table 4: Gender and Entrepreneurial Skill Development

VARIABLE	GENDER						t - value	p - value
	Male			Female				
	N	Mean	SD	N	Mean	SD		
Entrepreneurial Skill Development	78	46.32	2.864	42	43.29	3.587	3.221	0.008**

Source: Primary Data (** 1% level of Significance)

As the P value (0.008) is lesser than Sig. Value (0.01), the Null Hypothesis is rejected. Based on the mean score of the Entrepreneurial Skill Development, it can be said that the mean value of male micro entrepreneurs (M = 46.32) is more than female micro entrepreneurs (M = 43.29). This indicates that Male micro entrepreneurs have possessed/developed more entrepreneurial skills than their counter-part. Hence, there is a significant difference between the Male and Female Micro Entrepreneurs with respect to Entrepreneurial Skill Development.

6.4 Impact Of Entrepreneurial Skill Development On Business Operations

Table 5: Impact Of Entrepreneurial Skill Development On Business Operations

BUSINESS OPERATIONS	N	Mean	SD
Creating awareness about Products and Services	120	4.36	1.223
Ability to fix reasonable and affordable price	120	4.10	1.441
Forecasting the demand for the product	120	3.54	2.325
Improvement in the market share	100	3.77	1.874
Improvement in customer satisfaction	100	3.97	1.616
Impact of entrepreneurial skill development on business operations	120	19.74	5.326

Source: Primary Data

From the above table relating to the Impact of Entrepreneurial Skill Development on the Business Operations, it is found that the impact is more in case of "Creating awareness about Products and Services" (M = 4.36) aspect and is lesser in case of "Forecasting the demand for the product" aspect than others. The Overall Mean value of the Impact of Entrepreneurial Skill Development on Business Operations of Micro Entrepreneurs is 19.74 which is 78.96% (19.74/25 x 100). This indicates that the Impact of Entrepreneurial Skill Development on Business Operations of Micro Entrepreneurs is nearly 79%. H0: There is no significant difference among the Nature of Business of Micro Entrepreneurs with respect to the Impact of Entrepreneurial Skill Development on Business Operations. A one-way

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between-groups analysis of variance (ANOVA) was conducted to explore the significant difference among the Nature of Business of Micro Entrepreneurs with respect to the Impact of Entrepreneurial Skill Development on Business Operations.

Table 6: Nature of Business - Impact Of Entrepreneurial Skill Development On Business Operations - ONE-WAY ANOVA

VARIABLE	NATURE OF BUSINESS			*F* – value	*p* – value
	Production (42)	Trading (48)	Services (30)		
Impact of Entrepreneurial Skill Development on Business Operations	17.33	20.57	19.21	2.884	0.016*
	5.775	3.598	4.226		

Source: Primary Data (No. of Entrepreneurs are shown in brackets) (*5% Level of Significance)

As the P value (0.016) is lesser than Sig. Value (0.05) in the Impact of Entrepreneurial Skill Development on Business Operations Score, the Null Hypothesis is rejected. Apart from reaching statistical significance, the actual difference in the mean score among the 'Nature of Study' groups is also moderate (M = 17.33 to 20.57). The Mean score of the micro entrepreneurs who are involving "Trading" activities i.e., Trading Nature of business (M = 20.57) is more than others. Hence, it is inferred that the micro entrepreneurs who are involving "Trading" activities have more perceived more impact of Entrepreneurial Skill Development on Business Operations than others. Hence, there is a significant among the Nature of Business of Micro Entrepreneurs with respect to the Impact of Entrepreneurial Skill Development on Business Operations.

7. Correlation Analysis

H0: There is no significant relationship between Entrepreneurial Skill Development and Business Operations of Micro Entrepreneurs. Pearson product-moment correlation was run to determine the relationship between Entrepreneurial Skill Development and Business Operations of Micro Entrepreneurs.

Table 7: Skill Development – Business Practices

Variable	N	*'R'* Value	*P* - Value	Relation Ship	Remarks	
					Significant	Result
Entrepreneurial Skill Development - Business Operations	120	0.838**	0.000	Positive	Significant	Rejected

Source: Primary Data
*****. Correlation is significant at the 0.01 level (2-tailed).***

As the P value (0.000) is lesser than Sig. Value (0.01) in the above relationship, the Null Hypothesis is rejected. There is a high positive correlation (r = 0.838) between Entrepreneurial Skill Development and Business Operations of Micro Entrepreneurs. Hence, there is a significant relationship between Entrepreneurial Skill Development and Business Operations of Micro Entrepreneurs.

8. Multiple Regression Analysis

Multiple Regression was conducted to determine the best linear combination of Business Management Skills, Critical Thinking and Problem-Solving Skills, Behavioural Skills and Technical Skills for predicting Business Operations of Micro Entrepreneurs.

Table 8: Entrepreneurial Skill Development - Business Operations - MULTIPLE REGRESSION ANALYSIS

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.842	.667		1.365	.334
	Business Management Skills	.321	.042	.302	8.120	.000
	Critical Thinking and Problem-Solving Skills	.301	.049	.284	7.630	.000
	Behavioural Skills	.360	.038	.356	8.564	.000
	Technical Skills	.229	.052	.225	4.115	.000

Dependent Variable: BUSINESS OPERATIONS

This combination of all the four variables (Entrepreneurial Skill Development) significantly predicts the dependent variable i.e., Business Operations, F (4, 115) = 286.534, p= .000 which is lesser than .001 (Sig. Value 2-tailed) and Adjusted R Square = 0.734. Out of four independent variables, Behavioural Skills (0.356) is the strongest influencing factor which predicts dependent variables – Business Operations of micro entrepreneurs. The beta weights suggest that the Behavioural Skills only contribute most (0.356) to predict Business Operations followed by Business Management Skills (0.302). It is also found that the 'Technical Skills' (0.225) has contributed to Business Operations lesser than others.

9. Findings and Suggestion

Entrepreneurship drives the growth and diversification of the economy and contributes to the creation of wealth. From the results, it is found that the various entrepreneurial skills possessed and developed by the Micro Entrepreneurs are fairly satisfactory. The study found that their entrepreneurial skills have strong

DOI: **10.30726/ijmrss/v11.i4.2024.11416**

relationships with business practices and have more impact on their business practices. Male micro entrepreneurs have possessed/developed more entrepreneurial skills than their counterparts.

Based on the study, it is suggested that entrepreneurial skills of women entrepreneurs must be developed through the "Capacity building" training because it creates an opportunity for them to manage their business effectively. The study found that technical skills contribute less than others and therefore, the government and other training organisations should focus their attention on the improvement of technical skills by conducting various training programmes for micro entrepreneurs. It is also suggested that an entrepreneurial developmental program should be included as a subject matter right from the school-level education.

10. Conclusion

The rising culture of micro entrepreneurship in India is a result of the country's strong economic growth. The increasing opportunities for businesses to tap into new markets also contribute to the rising opportunity for micro entrepreneurs. Entrepreneurial skills are essential in positioning the micro entrepreneurs to identify opportunities, make effective decisions, turn their ideas into reality, overcome challenges, and properly allocate resources to achieve goals and succeed.
Developing entrepreneurship skills can lead to increased opportunities, earning potential, personal growth and successful performance business operations. It also provides individuals with a sense of purpose and fulfillment. Therefore, it can be stated that micro entrepreneurs can perform better, both in urban and rural areas, given that they should develop their skills and the government also provides them necessary support to improve their skills. Skills development initiatives of the government can help countries become more competitive by increasing employability and labor productivity, leading to structural change and economic growth.

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DOI: **10.30726/ijmrss/v11.i4.2024.11416**