

A Comparative Study on The Business History of Migrated Entrepreneurs from Northern Region and Entrepreneurs from Erode Origin

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Abstract- Entrepreneurship plays a important role in economic development by promoting industrial and commercial activities. Erode district has emerged as a turmeric and textile hub of Tamilnadu. The business history of these two groups varies as there is a difference in socio-economic factors, availability of resources and business environment. The present study involves the socio-economic factors, business history and challenges faced by the entrepreneurs of both groups. Primary data were collected from 100 respondents comprising 50 migrated entrepreneurs and 50 local entrepreneurs using a structured questionnaire. Percentage analysis, chi-square analysis and Friedman's Rank Model were used for analyzing the data and identifying the results.

I. INTRODUCTION

Indian Business history is a rich and diverse encompassing various economic systems, industries and entrepreneurial endeavors. The retail industry has seen significant growth with traditional markets with modern retail chains. India has witnessed a boom in the emergence of numerous successful startups in various sectors. It reflects the country's resilience in the face of changing economic landscapes. It has evolved from ancient trade to modern, dynamic economy. The Indian textile industry plays a vital part in country's economy, providing employment and contributing exports. Entrepreneurs from India, launching innovative startups always have an appetite of migrating into the nations. Tamilnadu is rich in cotton textile industry and the business environment is highly competitive. Entrepreneurs from north region migrate to southern region to meet up the competition and enhance the growth of the business. North Indian Entrepreneurs are usually from an entrepreneurial background. They have their own competition in their native places. Entrepreneurs

who are ambitious and independent migrate to southern region and start a business.

Entrepreneurs run long-standing, inherited business, with a greater concentration in manufacturing. Family support, local networks, and increased familiarity with the local market and regulatory landscape all help their enterprises. There are notable distinctions between the two categories in terms of firm origin, ownership structures, and investment trends. Building solid business networks, adjusting to the local language and culture, and obtaining institutional financing are all more difficult for migrant entrepreneurs. Market rivalry and labour-related difficulties are the main concerns for local entrepreneurs, financial limitations and labour issues emerge as the most important obstacles for migrant entrepreneurs. The study also shows that native and immigrant business owners are resilient and adaptable in maintaining their enterprises in spite of these obstacles. Their combined efforts have improved Erode district's economic growth and commercial vibrancy. The results highlight the necessity of inclusive, regionally tailored policy measures that cater to the unique needs of both groups.

II. STATEMENT OF THE PROBLEM

Entrepreneurship plays a significant role in economic development by generating employment and promoting resources and industrial growth. Business opportunities in south Indian districts like Erode have emerged because of their industrial base, trade networks and supportive business environment. In recent times, migration of entrepreneurs within India has significantly increased due to regional imbalances. Entrepreneurs from northern region migrate to southern region especially Erode as it is known for its textile, turmeric and trading activities. Though

entrepreneurs from northern region participate with local entrepreneurs, their business history, entrepreneurial background, investment behavior, growth patterns and adaptation strategies may differ due to variations in socio-cultural background, migration experience, access to networks and local familiarity. Entrepreneurs from northern region faces a challenges like language barriers, cultural differences, regulatory procedures, lack of labour and Societal treatment which affects their business performances and sustainability. The increasing presence of Northern migrant entrepreneurs in Erode, the present study attempts to undertake a comparative analysis of the business history of migrated entrepreneurs from the Northern region and local entrepreneurs of Erode, with the objective of understanding their entrepreneurial journey, business performance, and challenges.

III. OBJECTIVES

The main objectives of this study is

1. To study the socio-economic profile of migrated entrepreneurs from the Northern region and entrepreneurs of Erode.

2. To examine the business history of migrated entrepreneurs from the Northern region and entrepreneurs from Erode.
3. To study and compare the challenges faced by migrated entrepreneurs and local entrepreneurs in running their businesses in Erode.

IV. RESEARCH METHODOLOGY

The present study was undertaken among the migrated entrepreneurs and local entrepreneurs in Erode District. The samples of 100 respondents were selected using convenience sampling technique. Both primary and secondary data were used. Primary data has been collected through structured questionnaire. Secondary data has been collected through books and journals.

V. ANALYSIS AND DISCUSSION

Factors like age, gender, marital status, educational qualification, family business background and annual business income are taken for computation of personal profile of the respondents and have been presented in the table

Percentage Analysis – Socio economic factors

PARTICULARS		MIGRATED ENTREPRENEURS (%)	LOCAL ENTREPRENEURS (%)
Age	Below 15 years	16	12
	16 – 30 years	28	30
	31 – 45 years	38	36
	above 45 years	18	22
Total		100	100
Gender	Male	92	88
	Female	8	22
Total		100	100
Education Qualification	School level	40	64
	College level	60	36
Total		100	100
Marital status	Married	84	86
	Unmarried	16	14
Total		100	100
Family Business Background	Yes	56	32
	No	44	68
Total		100	100
Annual Business Income	Below Rs.1,00,000	12	22
	Rs.1,00,001 – Rs.5,00,000	36	44
	Rs.5,00,001 – Rs.10,00,000	46	26
	Above Rs.10,00,000	6	8
TOTAL			

The Socio-economic profile of the respondents’ states that, majority of the entrepreneurs from both the groups belong to the age category of 31 – 45 years, most of the entrepreneurs are male in both categories, 60 percent of the migrated entrepreneurs possess college level education and 64 percent of the entrepreneurs from Erode possess school level education. In family business background, local entrepreneurs show a higher percentage compared to migrant entrepreneurs from Northern region. A majority of 46 percent of the migrant entrepreneurs’ Annual business income is Rs.5,00,001 to Rs.10,00,000 whereas the majority of 44 percent of

the entrepreneurs from Erode earns between Rs.1,00,001 and Rs.5,00,000.

Chi-Square Analysis - Business History of Migrated and Local Entrepreneurs

Chi- square test helps to examine the relationship between dependent variable and the independent variable. Chi- square test is applied for testing the relationship between type of entrepreneurs ie., Migrant and local entrepreneurs with year of establishment, nature of business, ownership pattern, mode of business and previous business experience.

Chi-Square Analysis of Business History of Migrated and Local Entrepreneurs

Business History Variables	χ^2 Value	df	p-value	Result
Type of entrepreneur vs Year of establishment	9.62	2	0.008	Significant
Type of entrepreneur vs Nature of business	6.84	2	0.033	Significant
Type of entrepreneur vs Ownership pattern	7.21	2	0.027	Significant
Type of entrepreneur vs Mode of business origin	14.56	1	0.000	Significant
Type of entrepreneur vs Previous business experience	0.32	1	0.571	Not Significant

The table indicates that there is a significant association between the type of entrepreneur and year of establishment, nature of business, ownership pattern and mode of business origin. Hence the null hypothesis is rejected and alternative hypothesis is accepted. This shows that migrated entrepreneurs and local entrepreneurs differ significantly in their business history characteristics. However, no significant association is found between the type of entrepreneur and previous business experience, indicating that both groups possess comparable levels of prior exposure to business activities. Hence the null hypothesis is accepted and alternative hypothesis is rejected.

Friedman’s Ranking Analysis- Problems faced by the North Indian Entrepreneurs and Entrepreneurs from Erode

Friedman’s ranking analysis is used to check the problems faced by both the North Indian entrepreneurs and entrepreneurs from erode origin more efficiently. There are ten factors taken into consideration such as financial constraints, labour problems, market competition, regulatory & compliance issues, raw material availability, infrastructure problems, language & cultural barriers, lack of local networks, technological constraints and market risk & uncertainty.

Problems faced by the North Indian Entrepreneurs and Entrepreneurs from Erode

Problems	Migrant Entrepreneurs		Entrepreneurs from Erode	
	Mean	Rank	Mean	Rank
Financial constraints	3.10	IX	7.05	II
Labour problems	6.45	III	3.60	VIII
Market competition	4.30	VII	7.60	I
Regulatory & compliance issues	5.90	IV	4.10	VII
Raw material availability	2.40	X	6.80	III
Infrastructure problems	3.95	VIII	4.85	VI
Language & cultural barriers	7.85	I	1.80	X
Lack of local networks	7.10	II	2.95	IX
Technological constraints	5.20	V	5.30	V
Market risk & uncertainty	4.75	VI	5.95	IV

Source: Primary Data

The table reveals that the severity of business problems varies significantly among both migrant

and local entrepreneurs in Erode. Language and cultural barriers emerge as the most critical problem

for migrant entrepreneurs, followed by lack of local network and market competition. In contrast, market competition is ranked as the foremost challenge for entrepreneurs of Erode, followed by financial constraints and raw material availability. Language and cultural barriers and lack of local networks are significant issues for migrant entrepreneurs but are least problematic for local entrepreneurs. The results indicate a statistically significant difference in the ranking of business problems for both groups.

VI.SUGGESTIONS

From the results and findings emerged from the study, the following suggestions are given

- A majority of the respondents faces the problem of communication with the customers. But the entrepreneurs from Northern region of India are bold enough to communicate with the customers. So, the entrepreneurs concentrate more in building a healthy relationship with the customers by providing quality products and trust. Likewise, entrepreneurs from Erode origin must gain Financial and advisory support from the migrant entrepreneurs for diversification into new products and markets.
- First-generation entrepreneurs should be provided with business incubation and mentoring support during the initial years; inherited businesses should be encouraged to adopt modern management practices to ensure continuity and growth.
- Identifying opportunities for improvement and differentiation is the major problem faced by the entrepreneurs. So, it is suggested to analyze the competition to understand the strength and weaknesses of the business.
- Entrepreneurs are motivated to be aware of the licenses and permits required to operate various businesses in the southern region. As the rules and regulations may vary from state to state.

VII.CONCLUSION

This study discusses about a comparative analysis of the business history of migrated entrepreneurs from the Northern region and entrepreneurs of Erode origin. The study shows that the majority of migrant and local entrepreneurs are inherited business owners who started their business generations old, mostly in the trading and service sectors. Access to resources, ownership structures and investment

patterns also differs between both the groups. While market rivalry and employment issues are the main concerns for local firms, migrated entrepreneurs face more difficulties with language and local networking. Despite these obstacles, both groups make substantial contributions to Erode's economic growth and job creation. The study comes to the conclusion that in order to boost the entrepreneurial ecosystem and guarantee sustainable growth for both migrants and immigrants, inclusive better access to financing, skill development and supportive infrastructure are crucial for both migrated and local entrepreneurs.

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