A Study on Barriers Faced In Incubation Centre by Entrepreneurs –Analysing the Factors Using One Way ANOVA

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Abstract: - This study explores the barriers faced by the students when they are attached with the Incubation centre of their colleges. These students are supposed to manage both their academics and their entrepreneurial aspiration. Although they get adequate support from their friends, family members and faculty members, having a mentor would help them in shaping the student’s entrepreneurial aspirations. Mentor could be a professional, who can share his knowledge and guide the students. A well-structured questionnaire was circulated among the students and asked to prioritize their barriers, and their expectations on mentor’s qualities.

Key words: Explore, Entrepreneurs, Mentors, students, quality.

I. INTRODUCTION

The nation develops through “Job creators”, it represents the entrepreneurs. Developing country like India provides many opportunities for entrepreneurship. The country can gear up to use entrepreneurship as prime engine for growth and development. Entrepreneurship can be encouraged by inculcating the entrepreneurial attitude and intention among young blood. In general, entrepreneurs face various challenges while starting their business venture and have a very high failure rate. Lack of managerial competencies, legal requirements to start the business, capital investment, and increasing cost, scale of economies, new product innovations, lack of skilled labours and lack of previous experience are the major challenges for any entrepreneur. Apart from these major factors, entrepreneurs in developing countries face even some unique challenges like accessibility to physical infrastructure, strict government policies, ineffective R & D facilities; inadequate entrepreneurial education and low recognition from society are few among those challenges.

Business incubator is an organization designed to accelerate the growth and success of entrepreneurial companies through an array of business support resources and services that could include physical space, capital and coaching, common service and network connections. Private companies and public institutions like colleges and universities sponsor these programs.

II. OBJECTIVE OF THE STUDY

The objective of this study is to explore the barriers faced by the students having an intention to become an entrepreneur in future and who are attached with their college’s business incubation centre. Further to understand the qualities expected out of the mentors, from whom they are looking for a support.

III. REVIEW OF LITERATURE

The Oxford dictionary defines business incubator as a “place, especially with support staff and equipment, made available at low rent to new small businesses”. Rustam Lalkaka (2001) says that the traditional business incubator is a microenvironment with a small management team that provides physical workspace, office facilities, counselling, training to access to finance and professional services in an affordable package.

Business incubation was a great mechanism to nurture the successful development of new firms David Birch (1979). Cooper (1981) stated that the success of a small business is dependent on the qualities of entrepreneurs. Gissy (1984) found that business incubation is a new method for developing new businesses.

Allen and Rahman (1985) concluded that incubator facility plays a key role by providing the assistance that fills the knowledge reduces early stage operational cost and develops the local enterprise support network. Birley (1988) opined that during the new business ventures, entrepreneurs need advice, information and reassurances. The incubation centre can provide both formal and informal guidance substantially.

Campbell et al (1985) says that incubators deliver benefit through business analysis, introduction to peer group network and professional network and physical infrastructure. Lewis (2001) viewed that new venture failure is common due to lack of money, weak management skills and unaware of market needs, where the business incubators can ensure the survival of these businesses. Etzkowitz (2002) explained incubation success formula as the interaction between university, industry and government.

Entrepreneurial ventures established through an incubator are influenced by services offered by the incubators Peters et al (2004). Chan and Lau (2005) recommended that the incubator’s service and support should be prioritized. Patton et al (2009) states that a steady flow of new ideas, an empathy in founders, maintenance of internal and external network and
appropriate exit strategies are needed factors to be strengthened by the incubation centres.

IV. METHODOLOGY

The data was collected from the entrepreneurs attached with their college business incubation centres. Totally 63 entrepreneurs (students, attached with the incubation centre of their college) were randomly selected and data was collected from them through questionnaire. Seven major barriers when they are engaged with different innovative projects were identified and for each barrier ten statements were mentioned in the questionnaire. Totally, the questionnaire was consisting of 70 statements. Five-point Likert scale was adopted. The open-end question was asked about their expectations on Mentors and their qualities. Simple descriptive statistics was utilised to calculate the mean value of barriers encountered during the incubation process, followed by one way ANOVA.

Barriers encountered by the entrepreneurs during the business incubation process:

1. Negative perception – Entrepreneurs attached with the incubation centres get informed about the negative aspects of their businesses and suffer with anxiety and worry and fear
2. Societal perception- Entrepreneurs attached with the incubation centres feel that society will laugh at their failures and they got the fear of embarrassment.
3. Academic Stress – Academic routine creates stress which is not allowing the entrepreneurs during incubation process to think productively. The over-stressed student faces difficulties in creative thinking.
5. Assumptions – General assumptions restrict creative processes and development.
6. Excess enthusiasm- Excess enthusiasm can be a hurdle for innovative projects.
7. Lack of market knowledge – Majority of the entrepreneurs under this stage are lacking the market knowledge.

V. DATA ANALYSIS

The above table reveals that the mean score of the all the seven barriers range from 3.14 to 3.81. Out of seven barriers, lack of market knowledge with a mean score 3.81 was found to be the strongest barrier followed by excess enthusiasm (mean score - 3.52), Societal perception (mean score - 3.50), Academic stress (mean score - 3.45), Status quo (mean score - 3.41) and then Assumptions (mean score - 3.14).

The data analysis was further extended with statistical tool one-way ANOVA

Table -2 – F- Test

<table>
<thead>
<tr>
<th>Barriers</th>
<th>Sum</th>
<th>Average</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Negative attitude</td>
<td>33.58</td>
<td>3.35</td>
<td>0.3836</td>
</tr>
<tr>
<td>Societal perception</td>
<td>35.00</td>
<td>3.50</td>
<td>0.5</td>
</tr>
<tr>
<td>Academic stress</td>
<td>34.50</td>
<td>3.45</td>
<td>0.2472</td>
</tr>
<tr>
<td>Status quo</td>
<td>34.19</td>
<td>3.41</td>
<td>0.1857</td>
</tr>
<tr>
<td>Assumptions</td>
<td>31.42</td>
<td>3.14</td>
<td>0.3247</td>
</tr>
<tr>
<td>Excess enthusiasm</td>
<td>35.22</td>
<td>3.52</td>
<td>0.4395</td>
</tr>
<tr>
<td>Lack of market knowledge</td>
<td>38.15</td>
<td>3.81</td>
<td>0.5097</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Source of Variation</th>
<th>SS</th>
<th>Df</th>
<th>MS</th>
<th>F</th>
<th>Value</th>
<th>F Critical(Table value)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Between groups</td>
<td>2.447</td>
<td>6</td>
<td>0.4079</td>
<td>1.1021</td>
<td>0.3711</td>
<td>2.2464</td>
</tr>
<tr>
<td>With-in groups</td>
<td>25.3162</td>
<td>63</td>
<td>0.3700</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>25.7637</td>
<td>69</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Since the calculated value F value is less than the table value, we infer that there is no significant difference between mean score of the various barriers. It means that all the barriers are equally important for the incubation centre to consider. The above data analysis confirmed that all the seven barriers have significance to the student’s aspiration to be an entrepreneur. Whenever there is a problem, a barrier, or any dilemma, the entrepreneurs need advices.

VI. MENTORS IN BUSINESS INCUBATION CENTRES

One of the prime objectives of the business incubation centre is to provide support and create an ecosystem that promotes entrepreneurship. Mentors are professionals who advise the students and support them in the business incubation process. Engaging mentors will help student entrepreneurs to overcome the barriers and be successful in their ventures. Mentors can address the barriers by counselling and regular interaction from their mentors.
The response to the open-ended question presented the expectations from the student entrepreneurs on their mentors. It was observed that majority of the students preferred women mentors. The expected qualities of the mentors

a. **Ability and willingness to communicate**

Being an expert in the business, the mentors should be ready to communicate with the budding entrepreneurs and the students expect the same to be simple without much of jargons and buzz words.

b. **Pillar of positivity**

Good mentors should have a quality to inculcate positive thought processes in the minds of the protégé. These mentors demonstrate their positive thoughts and turn as role models for their protégé.

c. **Connections**

Mentors can share their contacts and can advise the students on how, when and where to utilise the contacts for their business. This helps the mentees to develop their own list of critical contacts.

d. **Use Mistake as a positive learning tool**

Effective mentors should develop their protégé by helping them to identify their mistakes and help them to find the solutions and prevent them from making further mistakes.

**VII. CONCLUSION**

Entrepreneur- student’s interactions shall be encouraged. The Institutions may have a liaison with nearby research associations and entrepreneurs. The association with such entrepreneurs can support these young students. Consultants for start-up companies can be identified, who are interested to assist and support the students and they can also act as mentors. Government and private agencies who are organising the workshops, seminars and exhibits can be utilised. Even successful entrepreneurs can be hired as part-time mentors. The study indicates that, right mentoring is key for a successful entrepreneurial career.

**REFERENCES**

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