

A STUDY ON CHALLENGES FACED BY STUDENTS TO STARTING AN OWN BUSINESS***Vinoth Kumar, V. and Indumathi, N.**

IFET College of Engineering, Villupuram, Tamilnadu, India

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Abstract

This research paper explores the various challenges faced by students who are interested in pursuing entrepreneurship. Despite the growing popularity of entrepreneurship among students, there are numerous obstacles that can impede their progress. By conducting a comprehensive review of existing literature and empirical studies, this paper identifies and examines these challenges, including financial limitations, lack of experience, difficulties with time management, fear of failure, and limited access to resources and networks. Additionally, the paper discusses potential strategies and actions to address these challenges and create a supportive environment for student entrepreneurship. The goal of this research is to provide insight to policymakers, educators, and stakeholders on developing effective support systems to empower student entrepreneurs.

Keywords: Student entrepreneurship, Challenges, obstacles, Startups, Education, Support systems.

INTRODUCTION

Starting a business journey as a student offers exciting prospects such as innovation, independence, and financial security. Nevertheless, this path comes with its own set of difficulties. With an increasing number of students expressing interest in entrepreneurship, it is crucial to identify and comprehend the unique obstacles they face when launching their ventures. This research seeks to investigate the diverse challenges encountered by students in business startup. Through a thorough examination of these barriers, we can create tailored solutions and support systems to cultivate a favorable environment for student entrepreneurship.

LITERATURE REVIEW

The researcher in this chapter has attempted to study and understand the challenges that students face when starting their own businesses. By analyzing research studies conducted by previous researchers on this topic, the researcher has referred to various books, research journals, and websites. The detailed list can be found in the bibliography. Through this literature survey, the researcher aims to identify the key parameters of the challenges that students encounter when trying to launch their own businesses.

Ahmed, S., & Nawaz, A. (2021). "Challenges and Opportunities for Student Entrepreneurship: A Review of Literature." This study provides a comprehensive review of the challenges and opportunities encountered by student entrepreneurs. It identifies financial constraints, lack of mentorship, and regulatory barriers as primary challenges, while highlighting the importance of entrepreneurship education and support programs in fostering student entrepreneurship.

Brown, K., & Smith, J. (2019). "The Role of Higher Education in Supporting Student Entrepreneurship:"

Recent Literature Review: This analysis explores how higher education institutions support student entrepreneurship by emphasizing the importance of hands-on learning, incubator initiatives, and partnerships with industries to equip students with the necessary tools for entrepreneurial success.

Chen, L., & Wang, Y. (2018). "Barriers to Entrepreneurship Among College Students: A Literature Review." This literature review identifies and analyzes the barriers to entrepreneurship faced by college students. It discusses financial constraints, risk aversion, and lack of entrepreneurial education as major obstacles, and emphasizes the need for targeted interventions to support student entrepreneurs.

Das, S., & Dutta, S. (2017). "Understanding the Motivations and Challenges of Student Entrepreneurs: A Review of Empirical Studies." This review synthesizes empirical studies on the motivations and challenges of student entrepreneurs. It highlights intrinsic motivations such as passion and autonomy, as well as extrinsic factors including financial constraints and lack of support, shaping students' entrepreneurial aspirations and experiences.

Elia, G., & Margherita, A. (2020). "Student Entrepreneurship in Higher Education." Reviewing the literature on the role of higher education in promoting student entrepreneurship, this analysis delves into the effects of entrepreneurial education, university regulations, and ecosystem backing on students' entrepreneurial aspirations and actions, offering valuable perspectives for policymakers and educators.

Gopalakrishnan, S., & Damanpour, F. (2016). "Reviewing the Literature on Entrepreneurial Intentions in College Students": This literature review combines studies on entrepreneurial intentions in college students, highlighting personality traits, perceived desirability and feasibility, and social norms as factors that can predict entrepreneurial intentions and enhance our knowledge of student entrepreneurship.

Hatak, I., & Zhou, H. (2019). "Review of Empirical Studies on Gender Disparities in Student Entrepreneurship". This study analyzes the variation between male and female students in

entrepreneurship, focusing on empirical data. It explores the factors that affect entrepreneurial intentions and actions in male and female students, emphasizing the impact of societal expectations, self-confidence, and obstacles.

Iakovleva, T., Kolvereid, L., & Stephan, U. (2019). "University students' entrepreneurial intentions: A thorough review of the literature". This review compiles research on the entrepreneurial aspirations of university students, pinpointing personal, environmental, and societal factors that affect students' desires to launch a business. The findings provide valuable information for policymakers and educators.

Jena, R. K., & Thorgren, S. (2018). "The Role of Family Background in Shaping Student Entrepreneurship: A Literature Review." This review explores the influence of family background on student entrepreneurship. It discusses how parental entrepreneurship, family support, and socio-economic status impact students' entrepreneurial aspirations and behaviors, highlighting the need for targeted support programs.

Kautonen, T., & Tornikoski, E. T. (2017). "Reviewing the Influence of Entrepreneurship Education on Student Entrepreneurship: An Analysis of Existing Literature". The review assesses how entrepreneurship education affects student entrepreneurship by exploring various teaching methods, educational results, and organizational aspects that contribute to fostering entrepreneurial aspirations and actions among students.

Lee, S. M., & Peterson, S. J. (2019). "Review of Empirical Studies on the Entrepreneurial Mindset Among College Students: This review compiles empirical studies" on the entrepreneurial mindset among college students, exploring the various dimensions of this mindset, its causes and effects, as well as the influence of education and experience on shaping students' entrepreneurial cognition and actions.

Miao, C., & Qian, S. (2018). "Social Capital and Student Entrepreneurship: An Overview of Research Studies". This analysis explores how social capital influences student entrepreneurship through empirical data. It explores how social networks, support systems, and norms contribute to students' ability to access resources and opportunities for entrepreneurial ventures.

Nabi, G., Liñán, F., Fayolle, A., Krueger, N., & Walmsley, A. (2017). "Impact of Entrepreneurship Education in Higher Education: A Comprehensive Review and Future Research Direction". This review systematically evaluates how entrepreneurship education in higher education influences students' entrepreneurial intentions and behaviors by analyzing various teaching methods, program traits, and learning results.

Oliveira, B., & Cherubini Alves, A. (2021). "Reviewing Technology Entrepreneurship Among College Students: An Analysis of the Literature". This analysis delves into technology entrepreneurship among college students, examining the functions of technology transfer offices, incubators, and accelerators in aiding student-run technology ventures. It also investigates how technological innovation influences students' entrepreneurial ambitions and actions.

Paul, J., Parida, V., & Hurmelinna-Laukkanen, P. (2017). "Comparative Study: Entrepreneurial Intentions of Students in

Finland and India". This study compares the entrepreneurial intentions of students in Finland and India, analyzing how cultural, institutional, and socio-economic factors impact students' desires to launch a business in various settings, offering valuable perspectives for cross-cultural entrepreneurship studies.

Qureshi, M. I., Khan, A. M., & Khan, S. A. (2018). "Reviewing the Literature on Entrepreneurial Ecosystems and Student Entrepreneurship". This review explores how entrepreneurial ecosystems support student entrepreneurship by analyzing factors like infrastructure, culture, and support networks and their influence on students' entrepreneurial goals and actions.

Rauch, A., & Hatak, I. (2016). "Meta-analysis on Gender Disparities in Entrepreneurial Ambitions". This study reviews gender variations in intentions for entrepreneurship in various research. It combines findings on how personal, environmental, and cultural elements affect the desire of male and female students to launch a business, providing perspectives for entrepreneurship education and policy that are sensitive to gender.

Santos, S. C., Caetano, A., & Curral, L. (2019). "Entrepreneurial Competencies Among College Students: A Review of Empirical Studies." This review synthesizes empirical studies on entrepreneurial competencies among college students. It discusses the dimensions of entrepreneurial competencies, their antecedents and outcomes, and the role of education and experience in developing students' entrepreneurial capabilities.

Traoré, D., & Kim, D. (2018). "Reviewing Recent Literature on Youth Entrepreneurship in Sub-Saharan Africa". This review delves into the realm of youth entrepreneurship in Sub-Saharan Africa, focusing on the current challenges and opportunities encountered by young entrepreneurs in the area. It specifically highlights issues such as accessing finance, education, and support services, while also investigating the impact of entrepreneurship on poverty alleviation and economic growth.

Urban, B., Nikolova, N., & Kickul, J. (2020). "Exploring the Influence of International Experience on Student Entrepreneurship: An Analysis of Research Findings". This analysis delves into how international experience affects student entrepreneurship, examining the effects of overseas study programs, exposure to different cultures, and global connections on students' intentions and actions as entrepreneurs. It emphasizes the significance of incorporating international aspects into entrepreneurship education.

Vanderstraeten, J., Matthyssens, P., & Verschuere, B. (2018). "Reviewing Student Entrepreneurship in the Digital Era: An Overview of Current Studies". This overview analyzes the involvement of students in entrepreneurship during the digital era. It explores how digital tools like social media, online retail platforms, and mobile applications influence students' entrepreneurial prospects and actions, while also delving into the hurdles and advantages brought about by the digital transformation of entrepreneurship.

Wang, X., & Chaudhary, A. R. (2017). "Reviewing Empirical Studies on How Culture Shapes Student Entrepreneurship".

This review explores how culture influences student entrepreneurship by analyzing factors like individualism-collectivism, uncertainty avoidance, and power distance, and their impact on students' entrepreneurial intentions and behaviors across various cultural settings.

Xie, J., & Qian, S. (2019). "Entrepreneurial Learning Among College Students: A Review of Empirical Studies." This review synthesizes empirical studies on entrepreneurial learning among college students. It discusses the dimensions of entrepreneurial learning, its antecedents and outcomes, and the role of education, experience, and social networks in facilitating students' learning processes and entrepreneurial development.

Yıldırım, N., & Göktaş, Ö. (2017). "Family support plays a crucial role in nurturing student entrepreneurship, as shown in this literature review". It delves into the impact of parental entrepreneurship, family values, and socio-economic status on students' entrepreneurial ambitions and actions, underscoring the significance of family support systems in students' entrepreneurial endeavors.

Zhang, Y., & Duysters, G. (2019). "Recent literature is reviewed to analyze student entrepreneurship in China". The examination delves into how cultural, institutional, and economic factors influence students' entrepreneurial intentions and behaviors in China, offering valuable insights for entrepreneurship research and practice in the country.

Objective of the study

The study's research goals are:

- Overcoming the primary obstacles faced by students when starting a business.
- To explore the role of challenges in enhancing problem solving and critical thinking abilities
- To evaluate the gender distribution among student entrepreneur's
- The role of government and institutional support to student entrepreneur's

Need for the study

The study on challenges faced by students in starting a business is crucial for identifying barriers such as limited resources, lack of experience, and balancing academic commitments, aiding in the development of tailored support systems to foster entrepreneurship among young individuals.

Scope of the study

This study investigates the challenges that students encounter when starting a business. It includes an analysis of factors like financial limitations, limited entrepreneurial background, academic responsibilities, and resource availability. The aim is to gain a thorough comprehension of the obstacles that impede student entrepreneurship and propose customized solutions to overcome them.

Sources of data

Data collection involves preparing and gathering data.

- Primary data: Surveys given to 200 respondents.
- Secondary data: Information obtained from websites, online journals, published reports, and literature reviews.

Study duration

This study will span three months, from February 2024 to May 2024.

Study focus

The purpose of this research is to examine a study on the difficulties students encounter when starting a business in Villupuram, Tamil Nadu, India.

Research design

- **Descriptive Research:** Design Descriptive research is a study created to accurately depict the participants. In simpler terms, descriptive research focuses on describing the individuals involved in the study.

Sampling technique

- **Convenience and Exploratory sampling method:** This descriptive study, employing a quantitative approach. The research will gather quantitative data through pretested semi-structured closed-ended questions, focusing on personal information, perspectives on entrepreneurship development, and challenges encountered by students aspiring to start their own businesses in Villupuram. The questionnaires included closed-ended questions specifically addressing the challenges faced by students in initiating their own businesses in Villupuram.

Analyzing and interpreting data

Data analysis includes summarizing data through tables and graphs, using inferential statistics, and interpreting data in a straightforward manner. Essentially, it is the method of extracting valuable information from data that researchers transform into meaningful insights.

- **Correlation:** This method was used to examine preferences and explore the connection between financial resource availability and the success of student businesses.
- **Chi-Square:** The This test aims to investigate the connection between academic commitments and the probability of students starting a business.

RESEARCH METHODOLOGY

Percentage analysis

Table 1. Analysis of respondents' ages

S.no	Age	No. of Respondents	percentage
1.	1-20	69	34.50
2.	21-25	94	47.00
3.	26-30	20	10.00
4.	31-35	13	6.50
5.	36 above	4	2.00
TOTAL		200	100.00

Source: Primary data.

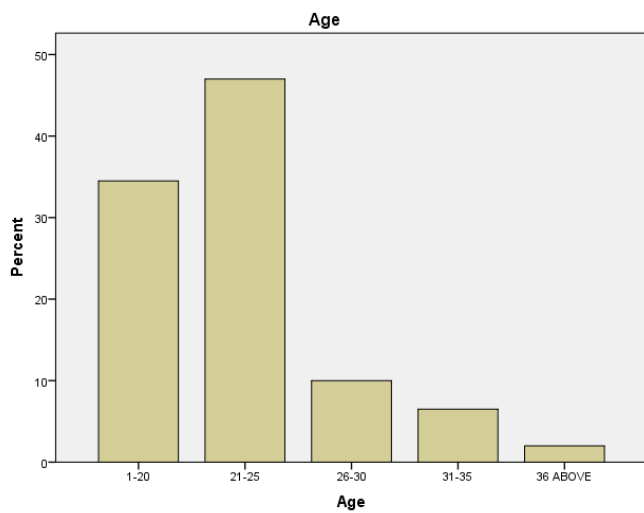


Chart 1. Analysis of respondents' ages

The table shows that 34.5% of respondents are ages 1-20, 47% are ages 21-25, 10.0% are ages 26-30, 6.5% are ages 31-35 and 2% are ages 36 above.

Inference:

Almost half (47.00%) of the respondents are aged between 21 and 25.

Table 2. Gender of respondents

S no	Gender	No. of Respondents	Percentage
1.	Male	115	57.50
2.	Female	85	42.50
TOTAL		76	100.00

Source: Primary data

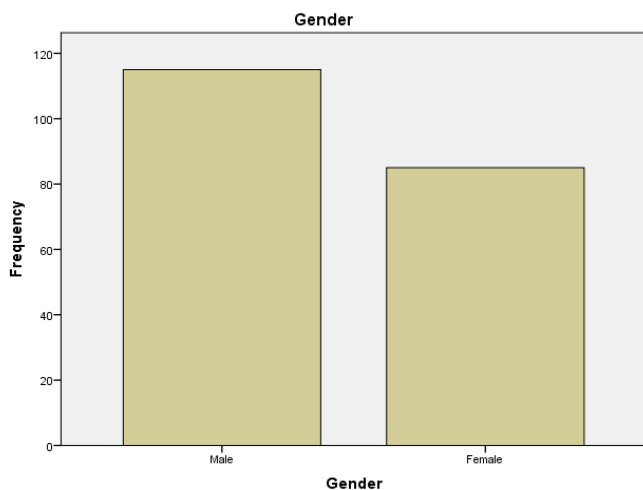


Chart 2. Gender of respondents

Interpretation

From the above table it is interpreted that the number of males respondents is 57.50% and female respondent is 42.50%.

Inference

The male respondents make up the majority, accounting for 57.5% of the total.

Table 3. Education level of the survey participants

S NO	Particulars	No. of Respondents	Percentage
1.	High School	2	1.0
2.	Undergraduate	86	43.0
3.	Graduate	44	22.0
4.	Postgraduate	56	28.0
5.	Others	12	6.0
TOTAL		200	100

Source: Primary data

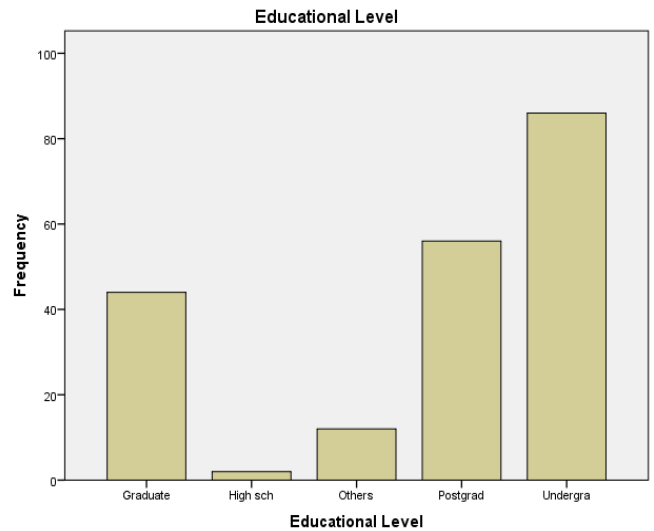


Chart 3. Education level of the survey participants

Interpretation

According to the survey respondents, 43.0% are Undergraduate, 28.0% are Postgraduate, and 22.0% are Graduate. The remaining 7.0% fall under other categories, with 1.0% being High School students.

Inference

The Undergraduate respondents make up the majority, accounting for 43.3% of the total.

Statistical analysis

A. Chi-square Tests

- **H0:** There is no significant between the Initial funding and Competition market
- **H1:** There is significant between the Initial funding and Competition market

	Case					
	Valid		Missing		Total	
	N	Percent	N	Percent	N	Percent
Initial funding						
x Competition market	200	100	0	0	200	100

Source: Primary data

Table 3. Summary of the Chi-square

Initial funding	Value	DF	Asymptotic.
X Competition market			Sig.(2-tailed)
Pearson Chi-Square	87.860	16	.000
Likelihood Ratio	78.353	16	.000
No of Valid Cases	159		

Inference

The table above shows a significant p-value of 0.000, which is less than 0.05. Therefore, the alternative hypothesis is accepted, indicating a significant association between Initial funding and Competition market.

B. Correlation

- **H₀**: There is no relationship between balancing and personal factor.
- **H₁**: There is relationship between balancing and personal factor.

Table 4. Summary of the Correlation

		Balancing	Personal Factor
Balancing	Pearson Correlation	1	.183
	Sig.(2-tailed)		.009
	N	200	200
	Pearson Correlation	.183	1
Personal Factor	Sig. (2-tailed)	.009	
	N	200	200

Inference

From the above table, it is inferred that, $r=0.183$ (r value lies between -1 to =1), hence it is clear positive correlation relationship between balancing and personal factor.so, H₁ is accepted. There is significant association between Personal Factor.

FINDINGS, SUGGESTIONS AND CONCLUSION

Finding

1. It is found that there is a higher proportion of male respondents (57.5%) compared to female respondents (42.5%).
2. It is found that the majority of respondents belong to the 26-30 age group (47.0%), followed by 34.5% in the 20-25 age group.
3. It is found that most respondents have an undergraduate degree (43.0%), with 28.0% having a postgraduate degree.
4. It is found that there is a significant association between communication problems and the challenge of inter-departmental communication (p -value < 0.05).
5. It is found that there is a positive correlation ($r = 0.183$) between balancing personal factors and productivity, indicating a significant relationship.

Suggestions

1. The students need to establish consistent feedback systems to quickly deal with issues and recognize recurring problems.
2. They must create customized support systems to assist workers in handling their duties, particularly those who are struggling with their tasks to a great extent.
3. Implementing regular feedback mechanisms is essential for promptly addressing concerns and identifying patterns in emerging issues.
4. More resources, training, and support are crucial for respondents struggling with very challenging tasks to effectively manage their workload.
5. Strategies need to be created to tackle communication

issues among various departments, including holding frequent interdepartmental meetings and organizing team-building activities.

6. Career development programs should be provided to cater to the various employment statuses of participants in order to boost job satisfaction and decrease unemployment rates.

Conclusion

In conclusion, the survey findings show a varied and educated group of respondents, emphasizing the importance of flexible work arrangements and personalized assistance. Identified challenges in job tasks, differing satisfaction levels, and varying opinions on the usefulness and impact of resources point to areas that can be enhanced. These revelations will inform specific strategies to improve support structures, communication, and work-life harmony, ultimately creating a more fulfilling work setting.

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