

# Challenges of Young Entrepreneurs in Manipur



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*Manipur is a place faced with difficult geographical terrain, limited economic opportunities and problems of instability in law and order. These have had their impact on smooth functioning of the economy in the state. In such a challenging environment, many young entrepreneurs are operating their business successfully with profits, overcoming unfavourable odds against them. This paper focus on such few young dynamic entrepreneurs who are successfully managing their business operations in Manipur despite the various challenges. Statistical tools have been used to substantiate how these entrepreneurs are coping up in this adverse environment.*

**Keywords:** Limited Economic Opportunities, Managing, Entrepreneurs, Unfavourable, Statistical tool

## 1. Introduction

Manipur, a state in the north eastern part of India, is a land of diverse cultures where different communities thrive together. It shares 389 km long international border with Myanmar and is considered as a 'Gateway to the East' connecting India with Southeast Asia. This provides the people in Manipur with immense opportunities to experiment with new ideas.

Entrepreneurs recreating job opportunities for many people. Entrepreneurship has become a source of development and investment. Industrial development is based on the entrepreneurial competencies of the people (*Entrepreneurship Challenges and Opportunities in India*, Dr. N. Santhi and S. Rajesh Kumar, December 2011). Political, social and economic issues in the state become impediment to many new young energetic entrepreneurs to run their business smoothly. Despite the adversities, there are some successful entrepreneurs who have overcome the challenges and built an empire for themselves.

This paper focuses on the types of problems in an environment that affect different types of entrepreneurs in Manipur from achieving their pursuit. Creating a right type of environment is important in developing a successful business (Dr. Santhi and S. Rajesh Kumar). Environment provides scope for entrepreneurship in trading and manufacturing (*Entrepreneurship, Challenges Opportunity: The Indian Picture Gupta, Avnesh Kumar, March 2012*). The Entrepreneurial Challenge examines source of raising fund, developing new ideas, increasing competition, entrepreneurial culture, employees, customers, disturbing state of laws and orders, bad debts from customers, government policy, inadequate stock or inventory, logistics and transportation bottleneck, family problem, obsolescence of indigenous technology, employee turnover, etc. Correlation and tables are used to analyse if different challenges of entrepreneurs are significantly different from each other and to examine how the challenges are affecting the business. On the basis, two statements are formed

1. Different types of challenges are faced by few successful entrepreneurs in Manipur
2. Same types of challenges are faced by few successful entrepreneurs in Manipur

Finally, correlations and tables are created to examine for accepting or rejecting the two given statements. This will help in making rational decisions about the assumption that has been considered.

## 2. Methodology

The Research conducted is of Inferential Statistics where random sample is be taken to represent the total population. Samples are selected on the basis of their popularity and the minimum profit they earn per month. The sampled entrepreneurs are young and energetic people who are ready to face different challenges in performing their business. For clear picture, Tables are constructed to analyse how different types of challenges are faced by different types of entrepreneurs. Correlation analyses are done for understanding the relation among variables.

## 3. Data Sample

Data is qualitative in nature where interview with the sample is conducted. Structured interview with proper questions are framed for detailed information gathering. Entrepreneurs for the study are selected on the basis of their popularity and business success stories. The structured questions consist of 28 questions, where focus is laid on the different types of challenges faced by the entrepreneurs in day to day life. It also focuses on how the entrepreneurs are taking steps to overcome such difficulties.

Extraction of detailed information is necessary from selected few entrepreneurs who are popular among the youths of Manipur. They have their profit of minimum ₹40,000 per month.

## 4. Analysis

On the basis of ten samples selected, the following is the table representing the different gender in the sample size. Young male entrepreneurs are common among the youth of Manipur and they are also popular on the basis of their types of social media used to contact with the customers.

**Table 1 Gender of the Entrepreneur**

|       |        | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------|--------|-----------|---------|---------------|--------------------|
| Valid | Male   | 7         | 70.0    | 70.0          | 70.0               |
|       | Female | 3         | 30.0    | 30.0          | 100.0              |
|       | Total  | 10        | 100.0   | 100.0         |                    |

Most of the young entrepreneurs get the idea of starting their business from friends as they help in generating new and innovative ways of doing the business.

**Table 2 From where they got an Idea of Starting Business**

|       |         | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------|---------|-----------|---------|---------------|--------------------|
| Valid | Friends | 5         | 50.0    | 50.0          | 50.0               |
|       | Family  | 2         | 20.0    | 20.0          | 70.0               |
|       | Media   | 1         | 10.0    | 10.0          | 80.0               |
|       | Others  | 2         | 20.0    | 20.0          | 100.0              |
|       | Total   | 10        | 100.0   | 100.0         |                    |

The correlation between the types of business, the decision-making manner according to different types of leaders, types of advertisement they use to promote their product in market and how their product is different from the competitor is given in Table 3.

**Table 3**

|                     |                                       | Type of business | Decision making style in organization | Type of Advertisement | How it is different from competitor |
|---------------------|---------------------------------------|------------------|---------------------------------------|-----------------------|-------------------------------------|
| Pearson Correlation | Type of business                      | 1.000            | -.272                                 | .170                  | -.357                               |
|                     | Decision making style in organization | -.272            | 1.000                                 | -.191                 | .583                                |
|                     | Type of Advertisement                 | .170             | -.191                                 | 1.000                 | .221                                |
|                     | How it is different from competitor   | -.357            | .583                                  | .221                  | 1.000                               |
| Sig. (1-tailed)     | Type of business                      |                  | .223                                  | .319                  | .155                                |
|                     | Decision making style in organization | .223             | .                                     | .299                  | .038                                |
|                     | Type of Advertisement                 | .319             | .299                                  | .                     | .270                                |
|                     | How it is different from competitor   | .155             | .038                                  | .270                  | .                                   |
| N                   | Type of business                      | 10               | 10                                    | 10                    | 10                                  |
|                     | Decision making style in organization | 10               | 10                                    | 10                    | 10                                  |
|                     | Type of Advertisement                 | 10               | 10                                    | 10                    | 10                                  |
|                     | How it is different from competitor   | 10               | 10                                    | 10                    | 10                                  |

**Table 4 Showing Selection Criteria Score out of 50**

| Entrepreneurs | Score | High | Medium | Low |
|---------------|-------|------|--------|-----|
| 1             | 41    | ✓    |        |     |
| 2             | 35    | ✓    |        |     |
| 3             | 41    | ✓    |        |     |
| 4             | 33    |      | ✓      |     |
| 5             | 42    | ✓    |        |     |
| 6             | 35    | ✓    |        |     |
| 7             | 43    | ✓    |        |     |
| 8             | 42    | ✓    |        |     |
| 9             | 43    | ✓    |        |     |
| 10            | 40    | ✓    |        |     |

Selection of employees is a critical phase in an organization as employees are the most important asset without whom the organization would not be able to function. On basis of five important criteria, the entrepreneurs were asked to rate out of 10, with 1 being the least. The following table is being constructed on how important selection of employees are on basis of the given particulars. The total score is divided into three levels: Low 0-16.6, Medium 16.7-33.2 and High 33.3-50.

From the table given above, it can be determined that selection of employees on the basis of above mentioned criterion is important for retaining good, energetic and skilled employees in the organization. Above mentioned criteria will help in recruiting the best from the market for the organization.

**Table 5** Showing the Selection Criteria of each Particulars

| Sample size | Selection Criteria |                 |                      |                      |                           | Total |
|-------------|--------------------|-----------------|----------------------|----------------------|---------------------------|-------|
|             | Entrepreneur       | Self motivation | Communication skills | Knowledge and skills | Creativity and Innovative |       |
| 1           | 8                  | 8               | 10                   | 10                   | 5                         | 41    |
| 2           | 9                  | 6               | 6                    | 9                    | 5                         | 35    |
| 3           | 9                  | 9               | 9                    | 9                    | 5                         | 41    |
| 4           | 7                  | 7               | 7                    | 7                    | 5                         | 33    |
| 5           | 9                  | 9               | 9                    | 10                   | 5                         | 42    |
| 6           | 7                  | 8               | 8                    | 8                    | 4                         | 35    |
| 7           | 8                  | 10              | 10                   | 9                    | 6                         | 43    |
| 8           | 8                  | 10              | 9                    | 10                   | 5                         | 42    |
| 9           | 9                  | 9               | 9                    | 10                   | 6                         | 43    |
| 10          | 7                  | 9               | 9                    | 10                   | 5                         | 40    |
| Total       | 81                 | 85              | 86                   | 92                   | 51                        |       |

From the least score in table 5, we can analyse that References in selection of employee for the organization is given the lowest score and this is not so important while taking decision in selection process. Most of the time reference may not be the right type of employee what they are searching for.

**Table 6** Ranking of Different Types of Challenges in Sequence of their Importance

| Sample Size | Types of Challenges in sequence of their importance |                      |                         |                         |           |           |                                   |                         |                   |                               |  |                |   |                   |
|-------------|---|----------------------|-------------------------|-------------------------|-----------|-----------|-----------------------------------|-------------------------|-------------------|-------------------------------|--|----------------|---|-------------------|
|             | Source of raising fund                              | Developing new ideas | Increase in competition | Entrepreneurial culture | Employees | Customers | Disturbing state of law and order | Bad debt from customers | Government Policy | Inadequate stock or inventory | Logistic and transportation bottleneck | Family problem | Problems with obsolescence of indigenous technology | Employee turnover |
| 1           | 2   | 1                    | 3                       | 4                       | 7         | 13        | 5                                 | 6                       | 8                 | 9                             | 12                                     | 14             | 10  | 11                |
| 2           | 8   | 3                    | 3                       | 11                      | 12        | 1         | 5                                 | 6                       | 4                 | 7                             | 9                                      | 13             | 10  | 14                |
| 3           | 1   | 3                    | 3                       | 8                       | 9         | 11        | 4                                 | 12                      | 5                 | 13                            | 14                                     | 15             | 6   | 7                 |
| 4           | 7   | 8                    | 2                       | 3                       | 11        | 4         | 1                                 | 10                      | 5                 | 6                             | 9                                      | 13             | 14  | 12                |
| 5           | 6   | 3                    | 2                       | 13                      | 9         | 1         | 5                                 | 4                       | 8                 | 11                            | 12                                     | 7              | 14  | 10                |
| 6           | 1   | 2                    | 5                       | 9                       | 11        | 12        | 3                                 | 13                      | 10                | 4                             | 8                                      | 14             | 6   | 7                 |
| 7           | 3   | 4                    | 5                       | 8                       | 10        | 9         | 1                                 | 12                      | 2                 | 11                            | 13                                     | 14             | 6   | 7                 |
| 8           | 3   | 2                    | 4                       | 6                       | 12        | 9         | 5                                 | 11                      | 6                 | 8                             | 10                                     | 7              | 1   | 13                |
| 9           | 2   | 1                    | 5                       | 9                       | 11        | 10        | 3                                 | 14                      | 8                 | 12                            | 7                                      | 13             | 6   | 4                 |
| 10          | 1   | 3                    | 4                       | 7                       | 9         | 6         | 2                                 | 12                      | 5                 | 8                             | 10                                     | 11             | 13  | 14                |
| Total       | 34  | 28                   | 36                      | 78                      | 101       | 76        | 34                                | 100                     | 61                | 89                            | 104                                    | 121            | 86  | 99                |

According to the ranking method conducted for different types of challenges faced by entrepreneurs in Manipur, the above table is constructed for detailed information. It is found that the statement 12 (b) i.e., 'Developing new idea in the business' is the top challenge for the sample entrepreneurs. It may be the rank 1 or the most important challenge for the first entrepreneurs but may not be the same for the rest of the sample size. Likewise, the highest score in the table i.e., 12 (l) Family problem

may be the last priority of one entrepreneur but it is the 7<sup>th</sup> importance of a person out of 14 rank. Different types of entrepreneurs according to their types of business face different types of challenges.

Rating of the different types of challenges faced by entrepreneurs on the basis of three level i.e., High, Medium and Low. The total score of 140 into 3 parts i.e., 0-46.6 as Low, 46.7-93.3 as Medium and 93.4-140 as High.

**Table 7** Rating of Different Types of Challenges

| Entrepreneur | Score | High | Medium | Low |
|--------------|-------|------|--------|-----|
| 1            | 130   | ✓    |        |     |
| 2            | 111   | ✓    |        |     |
| 3            | 119   | ✓    |        |     |
| 4            | 103   | ✓    |        |     |
| 5            | 123   | ✓    |        |     |
| 6            | 119   | ✓    |        |     |
| 7            | 117   | ✓    |        |     |
| 8            | 115   | ✓    |        |     |
| 9            | 99    | ✓    |        |     |
| 10           | 108   | ✓    |        |     |

From the above table, we can conclude that almost all the entrepreneurs face high level of challenges in operating their business in Manipur. This means that they have to struggle very hard to make a platform and establish their identity in the market.

**Table 8** Rating of Challenges Faced by each Entrepreneur

| Entrepreneur | Challenges faced by entrepreneurs |                      |                         |                         |           |           |                                   |                         |                   |                               |                             |                |   |                   | Total |
|--------------|-----------------------------------|----------------------|-------------------------|-------------------------|-----------|-----------|-----------------------------------|-------------------------|-------------------|-------------------------------|-----------------------------|----------------|---|-------------------|-------|
|              | Source of raising fund            | Developing new ideas | Increase in competition | Entrepreneurial culture | Employees | Customers | Disturbing state of law and order | Bad debt from customers | Government policy | Inadequate stock of inventory | Logistic and transportation | Family problem | Problems of obsolescence of indigenous technology | Employee turnover |       |
| 1            | 10                                | 10                   | 10                      | 9                       | 10        | 10        | 9                                 | 9                       | 9                 | 9                             | 9                           | 9              | 9   | 9                 | 131   |
| 2            | 9                                 | 9                    | 9                       | 8                       | 7         | 10        | 8                                 | 8                       | 8                 | 7                             | 7                           | 7              | 7   | 7                 | 111   |
| 3            | 9                                 | 9                    | 9                       | 9                       | 9         | 9         | 9                                 | 8                       | 9                 | 9                             | 9                           | 9              | 9   | 9                 | 119   |
| 4            | 8                                 | 8                    | 9                       | 9                       | 6         | 9         | 10                                | 6                       | 9                 | 9                             | 5                           | 5              | 5   | 5                 | 103   |
| 5            | 9                                 | 9                    | 9                       | 6                       | 9         | 9         | 9                                 | 9                       | 9                 | 9                             | 9                           | 9              | 9   | 9                 | 123   |
| 6            | 9                                 | 9                    | 9                       | 7                       | 8         | 9         | 9                                 | 8                       | 9                 | 9                             | 9                           | 6              | 9   | 9                 | 119   |
| 7            | 9                                 | 9                    | 9                       | 7                       | 7         | 10        | 10                                | 8                       | 10                | 7                             | 7                           | 6              | 9   | 9                 | 117   |
| 8            | 8                                 | 9                    | 9                       | 6                       | 6         | 9         | 10                                | 6                       | 9                 | 9                             | 10                          | 7              | 10  | 7                 | 115   |
| 9            | 7                                 | 9                    | 8                       | 6                       | 7         | 7         | 9                                 | 5                       | 8                 | 8                             | 7                           | 6              | 6   | 6                 | 99    |
| 10           | 9                                 | 8                    | 8                       | 8                       | 8         | 8         | 8                                 | 8                       | 8                 | 7                             | 7                           | 7              | 7   | 7                 | 108   |
| Total        | 87                                | 89                   | 89                      | 75                      | 77        | 90        | 91                                | 75                      | 83                | 83                            | 79                          | 71             | 80  | 77                |       |

‘Disturbing state of law and order’ ranks the highest in terms of rating of the challenges faced by the entrepreneurs in Manipur, whereas ‘Family problem’ is placed as the last. This means that in Manipur we need to focus more on the law and order situation as it affects the business individually. Maintaining and finding new customers is taken as next important challenge since preferences of the customers change frequently; developing new ideas in the business constantly is required for successful and profitable business. In order to face challenge of raising fund for their business, bank loan and financial assistance from family help in solving this issue to great extent.

There are many issues that an entrepreneur faces in operating their business with ‘economic issue’ being the highest. Political and social issues may be there, but ‘changing economic policy and reforms’ affects the business the most. Any slight changes in economic issues as a whole, affect the business to great extent. Change of government policies on frequently basis

disturbs the business. It has been found that in Manipur there is regular change of government policy which affects the business.

**Table 9** Solving the Problem of Raising Fund

|       |           | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------|-----------|-----------|---------|---------------|--------------------|
| Valid | Bank loan | 4         | 40.0    | 40.0          | 40.0               |
|       | Family    | 4         | 40.0    | 40.0          | 80.0               |
|       | Own       | 2         | 20.0    | 20.0          | 100.0              |
|       | Total     | 10        | 100.0   | 100.0         |                    |

**Table 10** Changing Government Policy

|       |            | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------|------------|-----------|---------|---------------|--------------------|
| Valid | Extremely  | 5         | 50.0    | 50.0          | 50.0               |
|       | Moderately | 4         | 40.0    | 40.0          | 90.0               |
|       | Slightly   | 1         | 10.0    | 10.0          | 100.0              |
|       | Total      | 10        | 100.0   | 100.0         |                    |

Employees in an organization may have problem like receiving of incentive/ bonus or retaining policy to reduce the attrition rate. Above that, they may even have problem of dealing with indigenous technology of low productivity and poor training which may affect in leaving the organization. Table 11 shows the correlation between employees leaving the organization, their problems and also problems with indigenous technology.

**Table 11** Correlation of Employees Leaving Organization, Employee Problem and Problem with Indigenous Technology

|                     |                                    | employee leaving organization | employee problem | problem with indigenous technology |
|---------------------|------------------------------------|-------------------------------|------------------|------------------------------------|
| Pearson Correlation | employee leaving organization      | 1.000                         | -.089            | -.089                              |
|                     | employee problem                   | -.089                         | 1.000            | -.250                              |
|                     | problem with indigenous technology | -.089                         | -.250            | 1.000                              |
| Sig. (1-tailed)     | employee leaving organization      | .                             | .403             | .403                               |
|                     | employee problem                   | .403                          | .                | .243                               |
|                     | problem with indigenous technology | .403                          | .243             | .                                  |
| N                   | employee leaving organization      | 10                            | 10               | 10                                 |
|                     | employee problem                   | 10                            | 10               | 10                                 |
|                     | problem with indigenous technology | 10                            | 10               | 10                                 |

According to the table, employees leaving organization, problems with employees and problems with indigenous technology are highly correlated with each other. Above that they are statistically significant as they are less than 0.5. The entrepreneurs that belong to the sample size are mostly of 'service' type of business with line organization structure. They have to produce varieties of products and diversify their products to meet the changing requirements of customers and face their competitors on regular basis. The following table shows how frequently they have to develop new ideas for meeting the ever-changing preferences of customers and, at the same time, keep maintaining the needs of loyal customers.

**Table 13** Showing how Frequently New Idea is developed

|       |                    | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------|--------------------|-----------|---------|---------------|--------------------|
| Valid | Less than 6 months | 7         | 70.0    | 70.0          | 70.0               |
|       | Less than 1 year   | 3         | 30.0    | 30.0          | 100.0              |
|       | Total              | 10        | 100.0   | 100.0         |                    |

### 5. Suggestions and Recommendations

1. Developing new ideas frequently may be problematic on regular basis; they should try to increase their market and expand widely.
2. Diversification in business may require skilled and knowledgeable employee; they should try to recruit the best employee by having best recruiter for their organization.
3. Commitment towards the society and personnel should be focused upon as the main objective of the business.
4. They should design a good retaining policy of the organization as greater number of employees leaving the organization give a negative image of the organization.
5. Giving discount or sale or some other marketing strategy will help in finding new customers of the organization.
6. Government should try to have stable economic policy as this will bring a good growth in the organization.
7. Forecasting about business plan is important as the situation of law and order in the state is not stable and changes in government policy do extremely affects the business.
8. Updated technology should be used as this will help to face the competitors.
9. Training or workshop should be conducted on regular basis.
10. Analysis of customer preferences should be taken care of as customers are the most important factor in bringing success to the business.
11. Selection of employee should be purely based on skill, knowledge and intelligence of the candidate as they are the most important assets to the organization.
12. Different entrepreneurs should have different strategies in handling the business to meet the competitors and capture the maximum share of the market.

### 6. Conclusion

In this paper, we have analysed the different challenges an entrepreneur faces in the prevailing scenario of Manipur. The state's economic policy must be favourable for the organization to achieve efficiencies in today's market. This should enable the entrepreneurs for generating profit which will in turn help in providing new jobs and helps towards economic growth of the country at large. It was found that there exists a relationship between the environment and the type of business they are operating. The degree of different types of challenges differ from one type of entrepreneurs to other type. Different types of organization, different types of organization structure deal with different types of problems. Therefore, there arises a need to formulate strategies according to the type of organization.

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