Entrepreneurship Challenges: What Stops Fresh Graduates To Enter Into New Startups In India

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Abstract:
Entrepreneurs are very vital for social and economic growth of the society in general as their innovative ideas bring the fuel to run the industries. There is no qualm that they are considered the souls of the entire body of the industrial structures. Every year hundreds of thousands students pass out from various universities, but only a fraction amongst those intend to start their own venture. The main reason is preference of job for the reason of fixed income every month. Even those who give a thought to begin a startup, back out due to family pressure / responsibilities or have certain apprehensions which stops them to pursue their dreams. The penchant for a job over starting a business is also one of the major reasons of unemployment in the country. University graduates are highly educated and have lots of energy and potential to make it big if The main motivation behind this article is to explore the reasons why fresh graduates dissuade themselves from following their dream of entrepreneurship.

Keywords: Entrepreneurship, Fresh Graduates, Start Ups, Fears, Challenges.

Introduction:
Entrepreneurs around the world have played a major role in creation of jobs and have also contributed to economic and social growth and holistic national prosperity. In Europe, since last so many years promotion of entrepreneurship has become radically important for the policy makers that they have laid down certain policies to boost up entrepreneurship.

Thompson (2009) stated Entrepreneurship Intentions as self-acknowledged conviction by a person that they intend to set up a new business venture and consciously plan to do so at some point in the future. Choo and Wong (2009) defined this as the exploration and assessment of information which is beneficial to achieve the objective of business creation. The focus of entrepreneurship is to have these intentions before starting the actual business because it determines the starting point of new business creation. A personal commitment which has an important impact on shaping the new ventures comes from entrepreneurial intentions only. The literature on entrepreneurial intentions specifies the significance of self employment intentions (Fridoline, 2009). Accordingly, identifying these intentions will allow the scholars to explore the dynamics of business venture creation process (Weerakoon and Gunatissa, 2014)

Kristian and Indarti (2004) found the factors of EI in Norwegian and Indonesian students. Among Indonesian students these intentions were at high levels due to economic challenges in the country whereas it was very low in Norwegian students maybe due to high economic remunerations to employees. However Boissin et al., (2009) identified in American students high level of EI in comparison to French students. This significant difference was due to already established entrepreneurial culture and the positive attitude towards new venture creation.

Additionally, Plant and Ren (2010) found out that in China, male students are more likely to become entrepreneurs than their female counterparts. Besides, American students has high level of intention level than Chinese students due to ingrained culture of self independence in US perse.

Fears and Challenges among students in India:
Fear of Failure: Fear of failure is the most common fear which younger experience before starting a business. Though some people associate fear with losing everything, but very often, rather mostly it is
associated with pride. This fear, although could be imaginary as well as a result of building unreal scenarios in our head and amplifying a problem that does not even exist.

**Fear of lack of knowledge:** Rome was not built in a day and by a single man also. It was built by using expertise of many experienced people. Youngsters fear to jump in the business wagon by giving excuses like they don’t have knowledge and experience to start a business. Agree with their apprehensions that you can not start any business just by using academic knowledge only but to reach any destination, taking first step is the basic requirement.

**Fear of Uncertainty:** We avoid plunging into uncertain terrain because we fear change. We get afraid of losing the control over situations and not being able to manage potential outcomes. This uncertainty will definitely lead to some kind of a change. It could lead us to success as well as failure too. When you understand the basic nuances of success in your business your confidence to step into unknown territory will go away.

**Fear of Risks:** In order to be successful, we have to take risks as someone has rightly said that higher the risks higher the profits, but that is easier said than done. But if proper research is done and all the numbers are crunched, it can help to move beyond this fear. Although there is no certainty in life, but we can take calculated risks. And if we are prepared with our homework this anxiety begins to feels more like a plan than fear.

**Fear of Mediocrity:** Same like fear of failure, being mediocre in the field is also associated with the pride. As an entrepreneur, everyone aims for excellence, but that should not stop them from being afraid of falling short. A businessman should always keep himself on his toes using all his strengths. The journey towards excellence is marked by the ability to always strive for growth, be it personal or professional.

**Fear of Un-acceptance:** We are constantly being judged by others in this world, so it’s quite natural that we all fear being accepted or being left out. But if we introspect, we would find that being accepted and having confidence in yourself and your abilities is an inside job, means if you have confidence in yourself—nothing else matter. The more you invest in your own skills and abilities, the better you will feel from inside and with more confidence you will move forward and grow your business.

**Fear of Finances (Arranging and Losing):** Juggling finances is and will always remain a challenge for any business. Be it arranging it for starting a business altogether or expanding or if things don’t go as planned losing it is always a matter of great concern. It is always prudent to take control of your finances and self educate yourself on money matters. This way only you will feel like you have got your fingers on the pulse of your business.

**Fear of Disappointment to others:** No one wants to let down their own people. After all who does not want to impress their families, friends and colleagues? All the time we want to live up to others’ expectations. But as an entrepreneur, we have to carve our own path.

An entrepreneur has to focus his time and energy on the things that matters to him. Decide what the purpose is and go after it. Don’t push aside your own ambitions in order to keep everyone happy.

**Fear of Proven wrong:** Most entrepreneurs are competitive by nature, so it makes perfect sense that many of them fear committing mistakes or appearing less than perfect. It is important to know that mistakes happen when we attempt to do something. Those only who don’t do anything, mistakes don’t happen to them. Making imistakes is always better than doing nothing at all—so take action and make a leap.
Fear of starting small: Young entrepreneurs always dream big and this somehow disconnects them from the reality. Rather, they should start small which will give them leverage upon others in terms of losing less money. Besides starting small can give them experience to understand their customers as they can directly connect with them. And if all goes well they can gradually expand their business.

Fear of Repetition: This might be true for others, but not for you as this would be your first time to start that thing. You would be easily get separated from others by your authenticity and innovation. Though most of the things have been done before, but your own perspective, values and passion behind the idea can stand you apart.

Challenges:

Unchecked Bureaucracy: Public offices or more commonly government offices are set up to serve the good for the people but sometimes due to the laziness or lack of motivation amongst public servants, simple things seem impossible to happen. In order to start a business, there are a large number of procedures to be followed and lots of clearances to be obtained and all these take large amount of time and energy. In this situation, new ventures find it extremely difficult to divert their attention to these time consuming issues.

Rampant Corruption: Corruption is not good for any of the society or its elements, and the bitter truth is, it is quite rampant in public offices. It is a challenge for budding entrepreneurs as it hampers the growth of any business. In this scenario, they prefer to bribe the officials to hasten the process and reduce the effect of red-tapeism. But somehow, it deters the fresh graduates from entering into entrepreneurship.

Regional Sentiments: When you start a business, you prefer to make headway from your own hometown since you feel confident about knowhow of that area. But even though they can still fail at it because they fail to incorporate the local sentiments into consideration. In this situation, local rampage, protests can happen.

Labour Issues: When you enter into any foray of business you start learning so many things on your own and alone. Labour is one of the major issues which young entrepreneurs find difficult to deal with. These days labour laws are there not just to protect them rather to benefit them only. Advent of unions has further caused problems for entrepreneurs. Besides finding skilled and cheap labour is also one of the major issues.

Counterfeit goods: In every country there are certain markets which provide imitated copy of various products, especially the high priced items such as mobile phones, clothes, perfumes and electronics etc. If the entrepreneurs have entered into the dealership or opened a manufacturing unit of such items, he may incur great losses due to cheaper products available in the market.

Social Capital: Social capital refers to as References or links. It can also be called connections or relationships. Unlike other sources and forms of capital, this capital does not deplete by its usage rather non usage. People like to do business with the people they know, be it in the industry or in the bureaucracy. But when these connections take precedence over the principle of fair play and rules, it leads to extending doing favors rather than doing business.

Lack of Mentors: Mentors guide and prepare young entrepreneurs in starting up and smoothen the whole process of navigating through right network. They give them tips on avoiding failures which they have endured during their initial days. But this selfless attitude is still at very nascent stage. Insecurity, jealousy and lack of confidence stops seasoned player to guide the new comers.
**Orthodox Indian Society:** When people from middle class family disclose their plans of starting a business after quitting a fixed salary job, the whole society discourages them from that. This could be even more threatening when their own families don’t acknowledge their decision and stop supporting them financially and morally as well.

**Small City disadvantage:** The startup dynamics are limited to few big cities only. Even the angel investors notice the entrepreneurs who have set up their businesses in these cities only. Entrepreneurs from the small cities hardly get any exposure in terms of investors, knowledge, infrastructure and other resources.

**Weak Education System:** School and college curriculum hardly put any emphasis on entrepreneurship. And those courses which are specially designed for entrepreneurship does not cover all the aspect of the related field and do not give any hands on experience to students. This is one of the major reason why students shy away from starting their own business.

**Lack of knowledge about government initiatives:** Government every now and then introduces certain initiatives for young entrepreneurs, but these schemes don’t reach the deserving candidates sometimes. Either some powerful and tricky entrepreneurs would forge documents to get the benefits or corrupt government officials would siphon the funds somewhere else or would release them if they are given a cut. This practice stops the fresh entrepreneurs from getting financial and other help.

**Ways to overcome these challenges:**
A proactive and problem solving response to the feelings of fear can help reduce it but such action tends to be inhibited when the fear is caused by doubts that too about the validity of the very business idea as well. This suggests that taking a deliberate action oriented approach to overcome the desire to ignore the problem will be very much important. Of course these things can never happen overnight and can be mastered with practice. Besides, entrepreneurs should never shy away from seeking support and reach out to mentors who are directly related to the business they are starting. Networking can be real and vital source of reassurance that you are going in the right way and if not corrective actions can be taken on time.

**Conclusion:** Come what may, college students should not fear embracing self employment; rather educational institutions should place more focus to make and support entrepreneurial mindset. Other than curriculum, various platforms should also be provided where students can interact with established entrepreneurs and discuss their apprehensions. Young blood is likely to take high risks and this is considered one of the essential entrepreneurial traits. Decision to start their own venture shows that young people believe in themselves and their ideas. This thought should be nurtured and motivated as well. If more ventures are established, more jobs will be created and not just the entrepreneurs the society will be developed holistically.

**References:**


