

BARRIERS TO ENTREPRENEURSHIP

**SUBJECT : (ENTREPRENEURSHIP)
CHAPTER NUMBER:4
CHAPTER NAME : ENTREPRENEURS AS
INNOVATION AND PROBLEM SOLVING**

CHANGING YOUR TOMORROW

ENVIRONMENTAL BARRIERS

➤ ECONOMIC

- The factors which are responsible for economic development such as land, labour, capital, material, market etc., are equally responsible for the development of entrepreneurship. Thus, an environment, where all these factors are available to the entrepreneurs, will naturally support and promote entrepreneurship. On the other hand, if any of these factors are not available or of inadequate quality and quantity, they can become barriers to entrepreneurship.
- For example: Unavailability of cash deters an entrepreneur from starting a new venture.

SOCIAL

- Sociological factors such as caste structure, mobility of labour, customer needs, cultural heritage, respect for senior citizens, values etc. might have a far reaching impact on business. In India, attitudes have changed with respect to food and clothing as a result of industrialisation, employment of women in factories and offices, and the increased level of education. This has resulted in the growth of food processing and garment manufacturing units thus the emergence and growth of a new class of entrepreneurs.
- For example: Readymade shirts, instant food, vending machines for tea and eatables.

CULTURAL

- Every society has its own cultural values, beliefs and norms. If the culture of a society is conducive to creativity, risk-taking and adventurous spirit, in such a cultural milieu entrepreneurship will get encouragement.
- For example: An entrepreneur will have to keep in mind the cultural reference of the region that he/she is going to cater to, this will enable him/her to get a quicker acceptance in that region.

POLITICAL

- It provides the legal framework within which business is to function. The viability of business depends upon the ability with which it can meet the challenges arising out of the political environment. This environment is influenced by political organisations, stability, government's intervention in business, constitutional provisions etc.
- For example: War tension between two countries can also stop the trade between these countries.

PERSONAL BARRIERS

➤ PERCEPTUAL

- There are certain perceptual barriers that can hamper the progress of an entrepreneur. Lack of a clear vision and misunderstanding of a situation, can result in a faulty perception. Having preconceived notions and prejudice against a particular business activity will leave limited Choices
- For example: One should overcome the barriers of selecting a business venture according to one's gender. There is hardly a business left where both the genders have not explored and achieved equal success .

➤ MOTIVATIONAL

- Sustained motivation is an essential input in any entrepreneurial venture. Lack of motivation is a strong barrier to entrepreneurship. Many entrepreneurs start with enthusiasm, but when they face some difficulties in the execution of their plans, they lose motivation.
- For example: Failure of a venture.

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