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A STUDY ON FACTORS AND ITS IMPACT AMONG YOUNG GRADUATES SELECTING ENTREPRENEURIAL START – UPS AS CAREER ADVANCEMENT

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Abstract

This study on the intersection of governmental support and the awareness of these initiatives among start-up entrepreneurs. The research focuses on the extent to which government support schemes are recognized and utilized within the entrepreneurial community, a critical aspect in determining the success and impact of such programs. By analyzing the awareness levels among start-up founders regarding available support mechanisms, the study seeks to uncover the effectiveness of government policies in reaching and assisting their target demographic. For this study, a carefully curated sample was drawn from a diverse group of 400 startup entrepreneurs in Kerala. This selection was executed with precision to ensure a broad representation from the dynamic startup landscape of the region. The article draws on both qualitative and quantitative data from various startups to provide a nuanced view of the current landscape. The findings aim to shed light on the gaps in awareness and offer insights for policymakers and stakeholders in the entrepreneurial ecosystem, suggesting ways to optimize the delivery and communication of support initiatives. This research contributes to the growing body of knowledge on the role of government in fostering a conducive environment for entrepreneurial growth and the importance of awareness and engagement in leveraging these opportunities.

Keywords: Entrepreneurial Start-Ups, Government grants, Startups, Infrastructure,

Introduction

This research article embarks on a detailed exploration of the interplay between government support schemes for startups and the level of awareness among entrepreneurs in Kerala, a region distinguished by its vibrant startup culture. As highlighted in studies like Nair's "Entrepreneurship Development in Kerala: Challenges in the Current Scenario" (2019), Kerala has been proactive in fostering an environment conducive to startups through various government initiatives. However, the effectiveness of these initiatives is contingent upon the entrepreneurs' awareness and engagement levels. This study aims to dissect the extent of awareness and utilization of government support mechanisms within Kerala's startup community, drawing on insights from Kumar and Joseph's "Role of Government Policies in Entrepreneurial Growth" (2018). It seeks to uncover the disparities in awareness among

entrepreneurs and the factors influencing these variations. The research is poised to provide a nuanced understanding of the dynamic relationship between government policies and entrepreneurial actions in Kerala. The findings of this study are expected to offer significant implications for stakeholders, including policymakers and entrepreneurs, as they navigate the complexities of nurturing a robust startup ecosystem, as discussed in Menon's "The Startup Ecosystem in Kerala: Opportunities and Policy Interventions" (2020). This exploration contributes to a more integrated and effective approach to supporting entrepreneurial ventures in the region.

Literature Review

The literature on government support for start-ups underscores the multifaceted role of governmental policies in nurturing entrepreneurial ecosystems. In "Entrepreneurship and Economic Growth" (2006), Audretsch, Keilbach, and Lehmann highlight the significance of a supportive regulatory and policy framework, beyond mere financial assistance, in fostering innovation and entrepreneurship. Echoing this sentiment, Acs et al. in "Public Policy to Promote Entrepreneurship: a Call to Arms" (2016) advocate for policies that catalyze new ventures, especially in technology-driven sectors. Lundström and Stevenson, through their book "Entrepreneurship Policy: Theory and Practice" (2005), delve into various policy interventions that can aid start-ups, emphasizing a comprehensive approach encompassing seed funding, market access, and entrepreneurial education. This viewpoint aligns with the analysis by Subrahmanya in "How Effective is Public Policy Support for Small and Medium Enterprises in India?" (2017), where the effectiveness of Indian government policies in SME support is scrutinized, advocating for more streamlined governmental programs.

In the context of Kerala, India, Nair's "Start-up Ecosystem in Kerala: Opportunities and Challenges" (2018) provides an insightful look at Kerala’s unique start-up support strategy, highlighting its emphasis on creating a holistic ecosystem encompassing education, mentorship, and networking, in addition to financial support.

Additionally, Isenberg in "The Big Idea: How to Start an Entrepreneurial Revolution" (2010) discusses the critical aspects of entrepreneurial ecosystems, suggesting that governments need to focus on creating an environment that nurtures and sustains entrepreneurial ventures. Furthermore, Mason and Brown in their paper "Entrepreneurial Ecosystems and Growth Oriented Entrepreneurship" (2014) elaborate on the need for a conducive cultural and policy environment for start-ups, indicating that government initiatives should extend beyond fiscal support to include mentorship and network-building opportunities.

This article presents the necessity of funding in a startup's early phases and explores the impact of capital structure decisions on a startup's operations and growth prospects, as highlighted by Cassar (2002). Vesper's (1980) model sheds light on the determinants crucial for new venture creation, emphasizing factors like knowledge and resources. Isenberg (2011) identifies six domains vital to entrepreneurial ecosystems, including finance availability and policy frameworks. The article then discusses the role of government initiatives in enhancing startup

environments, citing the socio-economic benefits they bring, such as job creation and market innovation (Kuzmianok, 2016). Acs & Kallas (2007), Fayolle et al. (2006), and Fritsch and Wyrwich (2013) propose that governments should focus on providing financial support, fostering entrepreneurial culture, and reducing legal barriers. The success of Barcelona's startup ecosystem, highlighted by Font-Cot et al. (2023), is attributed to initiatives like Barcelona Activa and the ODAME program, as well as significant investment activities. The article also examines the innovation/startup ecosystems in Italy, Israel, Sweden, Finland, and Singapore, showcasing their unique strategies and achievements in promoting startups. Ho (2019) particularly notes Singapore's efforts in streamlining business processes and encouraging investment. The article concludes with examples from India, where Bangalore's rise as a tech hub and Kerala's flourishing startup environment, propelled by the Kerala Startup Mission (KSUM), exemplify the positive impact of government support on startup ecosystems. Overall, this piece underscores the critical role of government policies and initiatives in creating thriving entrepreneurial environments conducive to economic growth and innovation.

Objective of the Study

These scholarly works collectively underscore the criticality of a broad-spectrum approach in governmental support for start-ups, This support extends beyond financial assistance, encompassing a range of policies, programs, and infrastructures designed to mitigate the challenges faced by new ventures and enhance their chances of success.

Sample Selection

The sample for this study was meticulously selected from a diverse pool of 400 startup entrepreneurs in Kerala. This selection process was designed to ensure a comprehensive representation of the entrepreneurial landscape within the region. The entrepreneurs were chosen based on various criteria, including the stage of their startup, industry sector, geographic location within Kerala, and the unique challenges and successes they have encountered. This strategic selection aimed to provide a well-rounded perspective on the entrepreneurial ecosystem in Kerala, capturing insights from a wide array of entrepreneurial experiences and backgrounds. The chosen sample reflects the dynamism and diversity of Kerala's startup community, offering valuable insights into the impact of government support and the overall entrepreneurial environment in the state.

Research Methodology

The Construct Government Support for the commencement of Entrepreneurial Start- Ups (GSES)examines the administrative, financial, technical and infrastructure support extended by the Government for the commencement of Entrepreneurial Start-Ups. The Construct “Government Support for the commencement of Entrepreneurial Start-Ups (GSES)” has five

factors specifically: Easiness (GSES1), Financial support (GSES2), Technical support (GSES3), Training (GSES4), and Infrastructure (GSES5).

The factor **"Easiness (GSES1)"** refers to the quickness of government machinery in handling the registrations of Entrepreneurial Start-Ups and the easiness in the process of registrations. This factoris measured by using a single item "Quick and easy procedures for registration".

The factor **"Financial support (GSES2)"** represents the financial support extended to the Entrepreneurial Start-Ups by the Government and simplicity in the procedure to disburse the financial benefits to the entrepreneurs. The factor is measured by using two items:(i)Financial support and subsidies through various schemes, and (ii) Minimum procedures for fund availability. Identical weightage is assigned to these items for computing the value of the factor. The factor value is determined by the average score of these items.

The factor **"Technical support (GSES3)"** refers to technical support extended bygovernment agencies /authorities towards the Entrepreneurial Start-Ups. This factoris measured by using a single item "Technical support from authorities concerned".

The single item factor **"Training (GSES4)"** indicates the training facilities offered by the Government interfaces towards the entrepreneurs and their support systems. It is measured by the item "Training Facilities and support".

The factor **"Infrastructure (GSES5)"** represents the availability of infrastructure facilities for the development of Entrepreneurial Start-Ups. This factors measured by using a single item "Supportive infrastructure facilities".

The items of factors of the constructs GSES are measured by using Likert Scale with

five anchor points, specifically: Strongly Agree (scale weightage value = 5), Agree (scale

weightage value = 4), Neutral (scale weightage value = 3), Disagree (scale weightage value =2), and Strongly Disagree (scale weightage value =1).

Analysis and Findings

The construct "Government Support for the commencement of Entrepreneurial Start- Ups (GSES)",its factors, items and corresponding abbreviations used for the confirmatory factor analysis is shown in table 5.33.

Table 1.

The factors and items of the Construct Government Support for the commencement of Entrepreneurial Start-Ups (GSES)

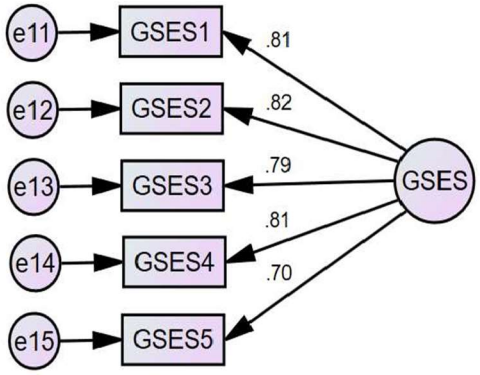
Construct	Factors	Items	Abbreviations
Governme nt Support fr the	Easiness	Quick and easy procedures for registration	GSES1
	Financial	Financial support and subsidies through various schemes	

commence ment of Entrepreneurial Start-Ups (GSES)	support	Minimum procedures for fund availability	GSES2
	Technical support	Technical support from authorities concerned	GSES3
	Training	Training Facilities and support	GSES4
	Infrastructure	Supportive infrastructure facilities	GSES5

The confirmatory factor analysis in respect of the construct Government Support for the commencement of Entrepreneurial Start-Ups (GSES)is shown in Figure 1

Figure 1

Government Support for the commencement of Entrepreneurial Start-Ups (GSES)



The factor loadings of the construct GSES for all the items are more than 0.5, which ensures the acceptable level of convergent validity (Hair et al. 2017; Liu and Li, 2010; Campbell and Fiske, 1959). Hence, it can be concluded that the construct, Government Support for the commencement of Entrepreneurial Start-Ups (GSES) is adequately explained by the observed variables.

5.3.3.1 Support from Government

Government programs that provide funding, tax incentives, training, and other resources specifically for young entrepreneurs make the prospect of a startup more attainable. Policies that reduce bureaucratic hurdles to registering and operating new ventures also encourage graduates to launch their own companies by lowering barriers to entry. The items considered to measure the support from government are given below:

i. Quick and easy procedures for registration

ii. Financial support and subsidies through various schemes

iii. Minimum procedures for fund availability

iv. Technical support from authorities concerned

v. Training Facilities and support

vi. Supportive infrastructure facilities

The result of the analysis is given in table 5.34.

Table 2

Support from Government

S. No.	Variables	Strongly Agree		Agree		Neutral		Disagree		Strongly Disagree		Total		Mean	SD
		N	%	N	%	N	%	N	%	N	%	N	%		
1	Quick and easy procedures for registration	87	21.8	201	50.3	89	22.3	21	5.3	2	0.5	400	100	4.06	0.95
2	Financial support and subsidies through various schemes	92	23	182	45.5	104	26	18	4.5	4	1	400	100	3.96	0.92
3	Minimum procedures for fund availability	80	20.3	203	50.8	91	22.8	20	5	6	1.5	400	100	3.95	1
4	Technical support from authorities concerned	80	20	177	44.3	107	26.8	28	7	8	2	400	100	3.8	1.12
5	Training Facilities and support	87	21.8	188	47	89	22.3	25	6.3	11	2.8	400	100	3.66	1.19

6	Supportive infrastructure facilities	83	20.8	197	49	89	22.3	22	5.5	10	2.5	400	100	3.75	1.11

Source: Primary Data

This table summarizes respondents' agreement with various forms of government support influencing entrepreneurship among graduates. The overall mean of 3.86 out of 5 indicates moderate agreement that government support is an influential factor. The highest levels of agreement were for quick and easy registration procedures and availability of financialsubsidies, with means above 3.95. This implies minimizing bureaucracy and providing funding helps enable startups. However, the lower means for other support like technical assistance, training, and infrastructure with mean score of 3.80, 3.66 and 3.75 respectively show some room for improvement in government entrepreneurship programs. As a conclusion, graduates appear to believe government initiatives that streamline registrationand offer financial help can facilitate startups. But other types of support seem less adequate in fully nurturing an entrepreneurial environment. There is room to enhance government policies to further promote youth entrepreneurship.

5.3.3.2 Level of awareness on the Government Schemes to support Startups

The Government of India and State Governments have launched various to provide funding, incubation, mentorship, and other support to startups. These schemes aim to boost entrepreneurship, innovation, and job creation by nurturing early-stage startups in the country. The researcher tried to assess the awareness level of young, graduated entrepreneurs on these Government schemes to support them. Thirteen prominent schemes have identified, and the result is exhibited in table 5.35.

Table 3:

Level of awareness on the Government Schemes

S.No.	Variables	Extremely Aware		Aware		Moderately Aware		Slightly Aware		Not Aware		Total		Mean	SD
		N	%	N	%	N	%	N	%	N	%	N	%		
	PMEGP (Prime Minister's Employm	305	763	79	198	12	3.0	3	.8	1	.3	400	100	4.63	.6629

	ent Programme														
	ESS(Entrepreneurs Support Scheme)	63	15.8	198	49.5	124	31.0	12	3.0	3	.8	400	100	4.23	.8510
	PMMY(Prime Ministers Mudra Yojana)	98	24.5	179	44.8	90	22.5	20	5.0	13	3.3	400	100	4.33	.7954
	Stand up India scheme	115	28.8	139	34.8	97	24.3	29	7.3	20	5.0	400	100	4.20	1.054
	NORKA-NDPREM (NORKAD project for Returned Emigrants)	93	23.3	132	33.0	104	26.0	34	8.5	37	9.3	400	100	3.30	1.608
	AIM(Atal Innovation Mission)	96	24.0	130	32.5	95	23.8	38	9.5	41	10.3	400	100	3.16	1.617
	Skill India	107	26.8	117	29.3	118	29.5	30	7.5	28	7.0	40	10	4.4	.979
	Digital India	111	27.8	116	29.0	114	28.5	39	9.8	20	5.0	40	10	4.4	.832
	Make in India	94	23.5	127	31.	11	29.	35	8.8	26	6.5	40	10	4.5	.700
.	PMKVY (Prime Ministers Kaushal	120	30.0	111	27.8	101	25.3	34	8.5	34	8.5	400	100	3.85	1.375
.	ASPIRE-A Scheme for Promotion of	96	24.0	112	28.0	109	27.3	44	11.0	39	9.8	400	100	2.86	1.682
.	PM-	94	23	12	31	10	268	8	9.5	3	8.8	40	10	2.86	1.74

	YUVA-Pradhan Mantri Yuva Udyamita Vikas Abhiyan		5	6	5	7				5		0	0		1
	Level of Awareness													3.86	1.202

Source: Primary Data

This table presents data on entrepreneurs' awareness of various government schemes supporting startups in India. Based on the analysis it can be found that the scheme with the highest awareness is PMEGP, with 76.3% respondents being extremely aware and 19.8% aware. It has the highest mean score of 4.63. Makin in India, Digital India and Skill Indiahave got a high rating with the mean value of 4.53, 4.45 and 4.41 respectively. ESS, PMMY, and Stand Up India also have moderately high awareness, with mean scores above 4. NORKA-NDPREM, PMKVY, AIM have got a moderate rating with mean value of 3.30,

3.85 and 3.16 respectively. PM-YUVA, and ASPIRE have the lowest awareness levels, with mean scores below 3. Over 20% respondents are not aware of these schemes.

Overall awareness level has a mean of 3.86, indicating moderately high awareness across all schemes. But there is scope to improve, as only 24.5% are extremely aware of any single scheme on average. Awareness varies across schemes, it can be seen from the table that highest for employment generation and MSME schemes, relatively lower for innovation promotion schemes. As a conclusion, entrepreneurs have moderately high awareness of startup schemes, but significant gaps exist in awareness of certain innovation and youth schemes. Targeted awareness campaigns may help reach wider entrepreneur base.

Conclusion

The study on government support schemes and the level of awareness among startup entrepreneurs in Kerala concludes that while the state offers a wide range of support mechanisms for startups, the awareness level among entrepreneurs varies significantly. The analysis, based on feedback from numerous startups across Kerala, indicates that while some entrepreneurs are well-informed and actively leverage these government schemes, others remain only partially aware or even unaware of the available support. This disparity in awareness levels can be attributed to factors such as differences in access to information, networking opportunities, and regional disparities within the state. The study highlights the need for more targeted and accessible dissemination of information regarding government support schemes to ensure that a larger number of startups can benefit from these initiatives. Additionally, it suggests the potential for enhancing mentorship and advisory services to bridge the knowledge gap among

entrepreneurs. The findings emphasize the importance of effective communication and outreach strategies by government bodies to ensure that startup support schemes achieve their intended impact across Kerala's diverse entrepreneurial landscape.

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