

Impact Of Business Risks On The Performance- An Empirical Study Among Trading Entrepreneurs

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ABSTRACT

Entrepreneurship is the core driving force for the societal development and the economic growth through the performance of trading entrepreneurs. Despite their exceptional role, they were still tightly connected with risk and uncertainty and facing many challenges which acts as an obstacle for their growth. Taking this problem as a nucleus, this research investigated the prevailing market risks among 596 trading entrepreneurs who have their profession in the Western Region of Tamilnadu through cluster followed by simple random sampling technique and tools like structural equation modeling, correlation, regression, decision tree analysis and crammer's V test were applied. While doing so, self efficacy and competitive risks were considered as a moderator between the business risks and the trading entrepreneur's performance. The result revealed that there is no significant association found between the risk factors like location of the business, Government Support, Financial Assistance, self efficacy and the competitive risks and the business risks as well as with the performance but the location and the self efficacy were highlighted as a significant forerunner for the entrepreneur's performance. Despite the impact, entrepreneurs were advised to formulate the clear business strategy to overcome the persisting risk for their long term success in the entrepreneurship.

Keywords: Business Strategy, Competitive Risk, Entrepreneurship, Entrepreneurial Orientation, Self Efficacy

Introduction

Entrepreneurship is the process of identifying and making use of the opportunities available in the market by an individual for their long-term gains. This practice has been more popular for the last three decades and now turned into a fashionable career, particularly among young people and this is because of the persevering unemployment problem but accomplished a remarkable transformation in acquiring self-employment worldwide. Becoming an entrepreneur is very challenging and a person interested in becoming an industrialist should have the mentality of initiation, organizing capacity in facing risk, and uncertainty and be willing to accept frequent change through self-confidence as rightly pointed out by (Mcmillan & Woodruff2002).

(Praag & Versloot2007); Borah (2019) underlined that it is the entrepreneurs alone stimulate employment, and productivity through innovations and thereby make a capital and wealth creation. (Luke et al. 2007) also listed that the entrepreneurs irrespective of the level have independence, autonomy, competitive advantage, and increased market share along with good standard of living. Even though there are many positive aspects to entrepreneurship, (Soam et al. 2023) stated that the most crucial problem for buddy entrepreneurs is financial assistance and the Government must provide financial support for their start-ups, infrastructure, and royalties on innovative ideas through effective policy interventions.

Besides financial assistance, it is (Mauchi et al.2014) who notified that entrepreneurs especially women entrepreneurs were facing many challenges and conflicts in maintaining the work-life balance, network challenges, lack of education and problems in management skills. Also, Khan (2023) particularly identified that implementation of the scheme if any announced for the entrepreneur is the major challenge, particularly

in rural areas. Also, (Turner & Endres 2017) highlighted that entrepreneurs should focus on product differentiation and innovative marketing for their continuous endurance in the market.

Macko & Tyszka(2009) while discussing the risk-taking scenario by entrepreneurs said that they have more self-confidence and this is the unique peculiarity that makes them differ from other people and this self-confidence has a positive association with skill-related situations. (Subhadrammal et al.2023) identified those entrepreneurial self-efficacy (ESE) acts as a mediator between entrepreneurial support programs and entrepreneurial intention among buddy entrepreneurs.

In addition, globalization policy makes many entrepreneurial businesses face uncertainty and insecurity for their business and not able to sell the goods despite getting products at low rates from other countries. To overcome the challenges, it is (Vignesh & Yoganandan 2020) have identified five challenges for entrepreneurs such as developing a business and vision; investing in the business; arranging the business team; location for the business and more importantly finding skill and knowledge of employees for their business. Taking this as an important point, this study mainly spotlights the risks in the business being done by trade entrepreneurs, particularly in Tamilnadu, India.

Hence it is crystal clear that major problems for any entrepreneur may be the location, financial assistance, and Government support and they should have the self-efficacy to meet all those risks and problems for make success in their respective business. Hence by considering these factors on the business risks will give a picture about the present scenario of the entrepreneurs. Also while reviewing the past works on this topic, there is no in depth study noticed for the business risks of trade entrepreneurs. Hence the author has considered the factors like location, financial support, Government Intervention, and self-efficacy along with competitive risk and its impact on the trade entrepreneur's performance and while doing so, the self-efficacy is taken as a mediator between the business risk and the performance. The researcher has put forth the following research questions pertaining to this study.

1. Whether there exists business risk for the trading entrepreneurs?
2. How the performance of the entrepreneurs despite of their business risks?
3. How the entrepreneur's self efficacy mediating the business risks with their performance?
4. Whether competitive risks mediating the business risks and their performance?

This research work is arranged with the following chapters; introduction followed by the literature review and conceptual model, objectives and hypothesis. Next to this is the research methodology and the data analysis followed by the discussion, implication, limitations and scope for future research.

Review of Literature

This is the one which makes the researcher to have extent knowledge in the particular field. The researcher could able to summarize all the outcome of the earlier research here so as to identify the research gap of the present study. The research may have the multifold support through the reviews. The following are the reviews carried out pertaining to the current study.

Rasvanis & Tselios (2023) analyzed the impact of geographical and the institutions effect on the entrepreneurs future plan business in Greece and found that localization economies played a significant role in expanding the business and it is the geographical and the institutional factors that concluding the business sales.(Zhao et al.2023) proved that the institutional and the organizational environment have a positive impact on the entrepreneurial performance and in addition, it is the entrepreneurial network partially mediating the both factor. (Farida&Setiawan2022) in their research about the effect of business strategies for competitive advantage found that it is the performance and the innovation in the business improves the competitive advantage through business strategies and competitive advantages particularly in the construction and the real estate industry.

Sinha (2023) clearly stated that the entrepreneurs are now taking more advantage in their respective business through digital technologies, dynamic markets which made them efficient and aggressive in their respective business. (Muhammad et al. 2023) in their research about the impact of cultural constraints on the entrepreneurial motivation among the women entrepreneurs in Pakistan spot out that the cultural aspects were found as the constraints for their motivation and they have to overcome them through push and pull strategy. (Oladipo et al. 2023) found that the major disadvantage for the women entrepreneur is the lack of flexibility in the work place and also suggested for granting autonomy and flexibility and permitting to have the home based business for becoming a successful entrepreneur.

Gupta et al. (2023) highlighted that the entrepreneurial cognitive style played an important role on the entrepreneurs orientation among those who were doing business in Northern India and of which innovativeness and the entrepreneurs pro activeness have significantly influencing the entrepreneur innovation capacity.(Ensign 2023) confirmed that geographic embeddedness, indigenous cultural factors and economic structures have found interconnected with the enterprise creation and development among the entrepreneurs. (Cancino& Bonila2015) in the study about the impact of Government Intervention on the business identified that there is no positive impact of the training and programs organized by the Government for the financial assistance to the entrepreneurs those who were doing business in Chile. (Salami et al. 2023) underlined that Government policy is an important one for the entrepreneurship and

positively related to their growth and hence Government need to give flexibility in credit, policies which have also not politically influenced.

Obaji & Olugu(2014) revealed that Government always endeavoring to supportive policy programmes in connection with infrastructure and finance for the entrepreneurs and this is corroborated with the findings of(Aregawi & Patnaik2023) who pointed out that Government intervention have a optimistic role in utilizing innovation and technology transfer and resulting with productivity enhancement, self employability and sustainability. (Yadav et al. 2023) in the study about identifying the factors that affecting women entrepreneurship found that attitude and intention were the two that affecting the performance of the women entrepreneurs in the handicraft industry.(Shah & Jokhi 2023) identified that the Government policies through tax and regulations, funding and grants, immigration policy and infrastructure have significantly manipulating the growth of start up in India.(Saranya & Chandrasekar2023) analyzed the impact of globalization on the growth of women entrepreneurs and come with the outcome that the Government and the private sector are jointly helping the women entrepreneurs to explore the prevailing conditions positively.

Onyekwelu et al. (2023) proved that the entrepreneurship institutions influencing the entrepreneurs in accessing the micro finance thereby acquiring the enterprise sustainability in Nigeria.(Singh & Singh 2023) clearly stated that it is the microfinance that acting as a forerunner for the growth of women entrepreneurs in India. (Caliendo et al. 2023) clearly stated that the entrepreneurs self efficacy have significant and optimistic impact on all the start up performance such as survival, income and growth oriented aspects irrespective of the gender of the entrepreneurs.(Srimulyani & Hermanto2022) studied about the importance of self efficacy among the entrepreneurs and concluded that this is very essential for the business success particularly for micro and small F&B business in Indonesia.(Madawala et al. 2023) particularly informed that the entrepreneur's improvement in self-efficacy is mainly due to the social media and this helping in the growth of the entrepreneurs.(Ma et al. 2023) revealed that higher economic status of the entrepreneur enhance the relationship the self efficacy with their ambidextrous behavior but at the same time, higher power being executed by the entrepreneur weakens that relationship but (Begum & Gogai2023) highlighted the self efficacy level is found very low among the person who were having entrepreneurship attitude particularly among the students. At the same time, (Saheen& Hadded2018) identified that there is no role of demographic profile of the entrepreneur on their self efficacy and behavior.(Amayreh2023) underscored that it is the entrepreneurs intention such as motives, skills, subjective norms, risk propensity and their behavioral control have made them to face the risk in their respective business in Jordan. (Harthi et al. 2023) evaluated the entrepreneurial orientation and the competitive belligerence in the oil and gas sector of Gulf Cooperation Council and found that entrepreneurial orientation is the base for the competition and these two factors were the main constitutes for the top management.(Zhang&Xing2023) identified the impact of entrepreneurial orientation and the risk sharing on the organizational performance and revealed that both orientation through risk sharing have significantly influencing the performance of the organization.

Generally, there were many number of past research works in the domain of entrepreneurship which has various results and outcomes but when searching for the article particularly in respect of trading entrepreneurs, it is seen that there was not a single article on this topic. As everybody aware that trading entrepreneurs are those who are having the intermediate business between the manufacturers and the end users in the society. But this article is mainly to analyze the business risks that the trading entrepreneurs having in their respective business in Tamilnadu State, India and in particular, their business risks will be analyzed through the constructs like location, Government Support, financial assistance and the self efficacy.

Conceptual Model

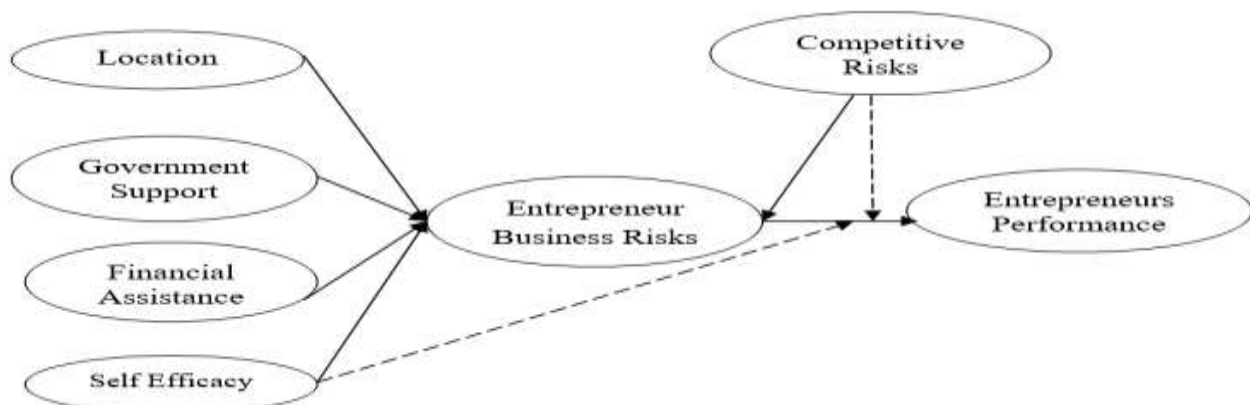


Figure 1. Conceptual Model

Objectives of the study

Any research engagement could be successful through the objectives which are the route map and it is only addressing the purpose of the research. Also, it explains the problem of the particular research along with the goal of performance. In this research, the following primary objectives were considered based on the conceptual model of the study.

1. To identify the association between the demographic profile of the entrepreneurs and the factors under business risks and the entrepreneurs performance.
2. To analyze the association among the factors that influencing the business risks of the entrepreneurs and their performance.
3. To investigate the impact of the factors under business risks on the trading entrepreneurs performance in Tamilnadu
4. To find the decision of the entrepreneurs for their demographic based performance

Hypotheses of the study

The following hypothesis was framed based on the conceptual model and objectives of this research.

- H₁: There is a significant association between the demographic profile of the trading entrepreneurs and the factors under business risks and their performance
- H₂: Location significantly influencing the business risks of trading entrepreneurs.
- H₃: Government Support optimistically influencing the business risks of the trading entrepreneurs
- H₄: Financial assistance positively influencing the business risks of the trading entrepreneurs
- H₅: Self efficacy hopefully impacting the business risks of the trading entrepreneurs
- H₆: There is a significant impact of the factors under business risks on the entrepreneur's performance.
- H₇: Self efficacy of the entrepreneurs positively mediating the business risks and the entrepreneur's performance.
- H₈: Competitive Risks of the entrepreneurs positively mediating the business risks and the entrepreneur's performance

Research Methodology

This section mainly dealt with the strategy in selecting the sample size and the empirical methods used for analyzing the data and in short, it is the process of planning, designing and conducting the research in a prescribed manner. Basically, this study is a descriptive and quantitative in nature analyzing the business risks among the trading entrepreneurs and its impact on their performance and it is compulsory to contact the entrepreneurs for collecting the primary data through a prescribed questionnaire. The opinion about various constructs taken up in the study was obtained through the 5-point Likert scales ranging from 1-strongly disagree to 5-strongly agree. Initially, the population of this study is an unknown one and the researcher has considered each district in the western region (Total number of district is 8 encompasses Coimbatore, Salem, Namakkal, Dharmapuri, Krishnagir, Erode, Nilgris and Tirupur) as a separate cluster and drawn 100sample from each district through personal approach. Hence the unknown population was changed into a known one and the total known sample is 800. From this sample, 600 samples were selected through simple random technique and the questionnaire was distributed to them.

Prior to the survey, a pilot study was conducted by considering 150respondents so as to find the reliability and the validity of the questionnaire and the value of the reliability is found as 76.54%. Also, the return percentage of the original survey is 99.33% and 4questionnaires were found unused as it was not filled in properly. Tools like structural equation modeling, percentage analysis, Karl Pearson correlation, multiple regression and decision tree analysis were carried out through SPSS 21 and the result revealed is discussed in the underneath section.

Structural Equation Modeling

Structural equation modeling is the technique which includes path analysis, regression, and analysis of variance through confirmatory factor process. It is an extension of general linear modeling that enables to analyze the overall correlation and fit of indices. The factors considered in the conceptual model were tested for the model fit through the structural equation modeling. The path diagram obtained through the SEM is given in figure 2 below:

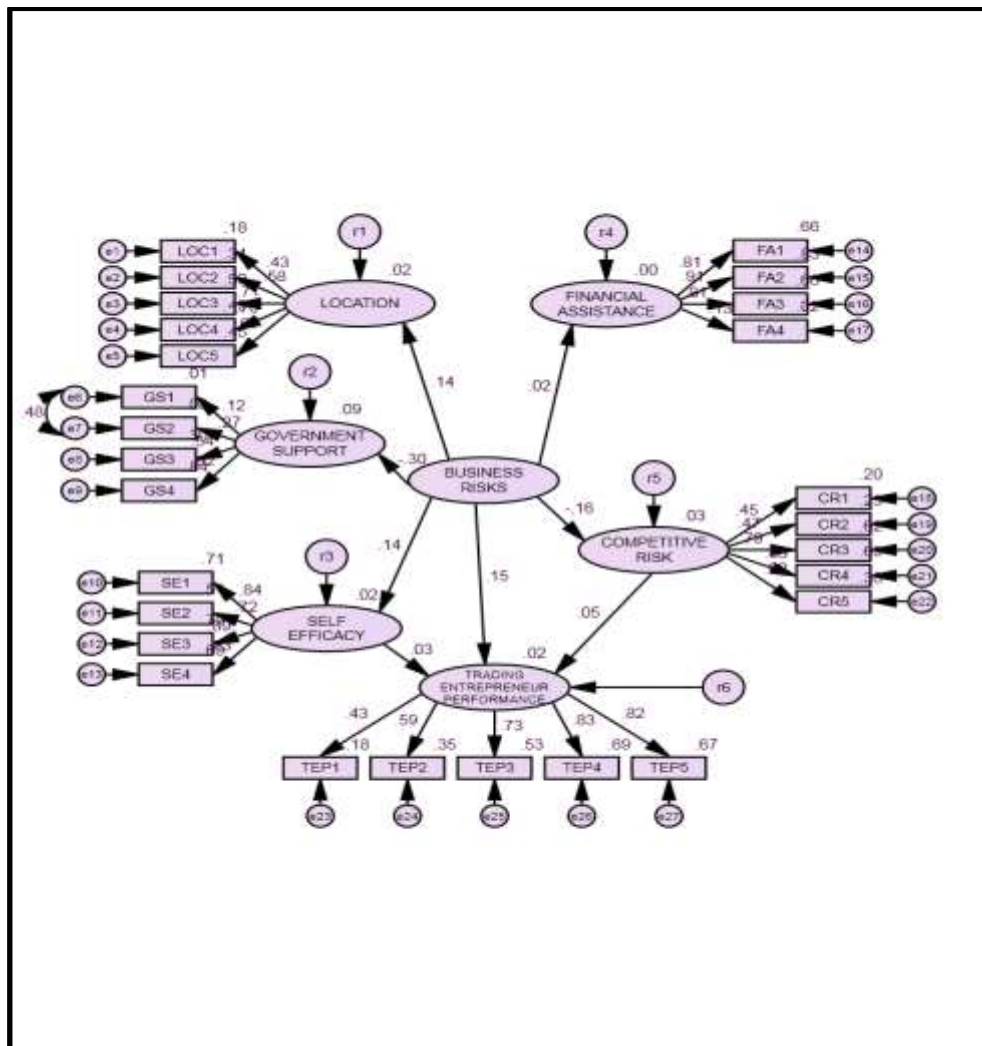


Figure 2. Structural Equation Modeling

The overall summary of the model fit indices is detailed in Table 1 below

Table 1. Goodness of Fit Indices

Index Name	Observed value
CMIN/df	1.485
GFI	0.945
AGFI	0.934
NFI	0.917
CFI	0.971
RMSEA	0.029
RMR	0.044
SRMR	0.037

(Source: Survey data)

The overall fit of the model was found with the satisfactory result as the goodness of fit indices as noted above were found within the threshold limit as prescribed in the earlier research. (i.e.) CMIN/df: 1.485(<3); GFI: 0.945(>0.90); AGFI: 0.934(>0.80); NFI: 0.917(>0.80); CFI: 0.871(>0.90); RMSEA: 0.029(<0.07); RMR: 0.04(<0.05); SRMR: 0.037(<0.05).

Regarding the path analysis result, the regression weights of the model is depicted in Table 2 below:

Table 2. Regression weights (Standardized)

Hypothesis	Critical Path	Estimate	C.R.	Decision	
H ₂	Location	<--- Business Risks	0.793	0.531	Not supported
H ₃	Government Support	<--- Business Risks	-4.070	-0.516	Not supported

H₄	Financial Assistance	<---	Business Risks	0.130	0.993	Not supported
H₅	Self Efficacy	<---	Business Risks	0.894	0.131	Not supported
H₆	Competitive Risk	<---	Business Risks	-0.639	-0.663	Not supported
H₇	Trading entrepreneurs Performance	<---	Competitive Risk	0.092	0.686	Not supported
H₈	Trading entrepreneurs Performance	<---	Self Efficacy	0.034	0.481	Not supported
H₈	Trading entrepreneurs Performance	<---	Business Risks	1.094	0.701	Not supported

(Source: Survey data)

The above values represented the output of the SEM of Analysis through regression weights and the result confirmed that the relationship between all the independent factors like location, Government Support, Financial Support, competitive risk, self efficacy and the business risks is not found statistically significant either 5% and 1% level of significance and hence it is confirmed that there is no impact of any factors on the business risks of the trading entrepreneurs.

The direct, indirect and the total effects of the factors that influencing the business risks in the case of trading entrepreneurs of western region of Tamilnadu is given in Table 3 below:

Table 3. Standardized Direct, Indirect and Total Effects

Factors	Direct Effect			Indirect Effect			Total Effect		
	1	2	3	1	2	3	1	2	3
Location	0.140	0.000	0.000	0.000	0.000	0.000	0.140	0.000	0.000
Government Support	-0.303	0.000	0.000	0.000	0.000	0.000	-0.303	0.000	0.000
Finance Assistance	0.018	0.000	0.000	0.000	0.000	0.000	0.018	0.000	0.000
Self Efficacy	0.141	0.033	0.000	0.000	0.000	0.000	0.141	0.033	0.000
Competitive risks	-0.162	0.049	0.000	0.000	0.000	0.000	-0.162	0.049	0.000
Performance	0.148	0.000	0.000	-0.003	0.000	0.000	0.145	0.00	0.000

(1- Business Risks 2- Performance 3. Competitive Risks)

Source: (Survey Data)

The impact of the independent factors on the dependent one revealed that increase in the location increases the business risk to the tune of 14% followed by financial support to the tune of 2% but at the same time, it is the self efficacy of the entrepreneur whether it is in the positive way or in a negative, increases the business risks to the tune of 14%. Also, it is noticed that increases in the Government support reduces the business risk with 30% followed by the competitive risk which also reduces the risk with 16.2%. Overall, it is seen that there is a negative indirect effect of business risks on the performance (3%) but despite the risk, 1 percent of the business risk increases the entrepreneur's performance to the tune of 14.5 percent positively. It is also seen that increases in the self efficacy and competitive risks increases the performance with 3.3% and 4.9% indirectly.

Socio-Demographic profiles

In this section, the socio demographic profiles of the trading entrepreneurs were analyzed and the result is given in Table 4 below

Table 4. Demographic profile of the respondents

Sl.No.	Characteristics	Category	Number of Respondents (n=596)	Percentage
01.	Gender	Male	367	61.6%
		Female	229	38.4%
02.	Age	Up to 25 years	50	8.4%
		26- 35 years	180	30.2%
		36-45 years	174	29.2%
		46-55 years	83	13.9%

03.	Marital Status	Above 55 years	109	18.3%
		Married	492	82.6%
04.	Educational Qualification	Unmarried	104	17.4%
		Illiterate	38	6.4%
		School level	47	7.9%
		Under Graduate	222	37.3%
		Post Graduate	258	43.3%
05.	Status of the working area	Others	31	5.1%
		Urban	314	52.7%
		Rural	278	46.6%
06.	Monthly Income	Semi-Urban	4	0.7%
		< Rs.20000/=	33	5.5%
		Rs.20000/= to Rs. 30000/=	59	9.9%
		> Rs.30001/= to Rs. 50000/=	238	39.9%
		> Rs. 50000/=	266	44.7%
07.	Factors that influencing their business	Market Fluctuations	84	14.1%
		Loan and interest rates	183	30.7%
		Natural Disaster	16	2.7%
		Competition	243	40.8%
		Innovative technology	70	11.7%
08.	How long you are doing this business?	< 1 year	61	10.2%
		1 year to 5 years	240	40.3%
		5 years to 10 years	147	24.7%
		> 10 years	148	24.8%
07.	In your opinion, whether risk management process is essential and important for business?	Yes	596	100.0%
		No	0	0%
08.	Type of business	Jewellery	36	6.0%
		FMCG retailing	64	10.8%
		Furniture	84	14.1%
		Garments	203	34.1%
		Wholesale Grocery	135	22.7%
		Organic products	45	7.5%
		Others	29	4.8%

(Source: Survey data)

From the above, it is seen that maximum trading entrepreneurs were found as male with 61.6% and 30.2% of the total population were found under the age ranging from 26-35 years followed by 29.2% of the entrepreneurs with the age ranging from 36-45 years. Next to this, 82.6% of the entrepreneurs were got married and 258 entrepreneurs with 43.3% have completed their post graduate qualification. 52.7% of the total population were having the entrepreneur business in the Urban area 44.7% entrepreneurs have consented that their monthly income is above Rs.50000/=. Maximum of 240 entrepreneurs with 40.3% were doing their business for about 1 year to 5 years and all the 596 entrepreneurs (100%) have agreed that risk management process is very essential and important in doing the business. Regarding the nature of the business, it is noticed that maximum of 203 respondents with 34.1% were doing garments business followed by 22.7% who were dealing with the grocery wholesale business.

Karl Pearson Correlation

An analysis pertaining to the co variation of two or more variables is called correlation and in this study, the correlation between the independent and dependent factors were analyzed through Karl Pearson Correlation method and the result obtained is given in Table 5 below.

Table 5. Karl Pearson Correlation Analysis

Inter Correlation								
	Mean	SD	F ₁	F ₂	F ₃	F ₄	F ₅	F ₆
Location	3.27	0.82	1	0.015	0.025	-0.031	-0.038	-0.101*
Government Support	3.16	0.72		1	-0.032	0.022	0.082*	-0.018
Financial Support	3.17	0.85			1	-0.016	-0.008	-0.039

Self Efficacy	4.17	0.87	1	0.065	0.482**
Competitive risks	3.44	0.98		1	0.070
Entrepreneur's Performance	2.81	0.47		.	1

** 1% level significance; *5% level significance

(Source: Survey Data)

From the above result, it is seen that there existed a negative correlation amid the location and the entrepreneur's performance ($r=-0.101^*$) and witnessed a positive correlation between the Government support and the competitive risks ($r=0.082^*$). Also, there found the positive correlation between the self efficacy and the entrepreneur's performance ($r= 0.482^{**}$) which implied that despite of the negative correlation with the location and the Government support obviously increasing the competition, the self efficacy of the entrepreneurs increases the performance of the entrepreneurs to the tune of 48.2%. The Coefficient of correlation in respect of the entrepreneur's performance ($R^2= 0.23$) implied that still, 77 percent of variation noticed and this variability yet to be explained as it is inter correlated with the other factors that influencing the business risks among the entrepreneur.

Multiple Regression Analysis

To investigate the relationship between the independent and the dependent factors in any research, multiple regression analysis is used with the assumption that there is no auto correlation among the factors and the independent factor is uncorrelated with the error term. In this study, the independent factors like location, Government support, Financial support, self efficacy and the competitive risks were taken up and its impact on the dependent factor (i.e) Trading entrepreneur's performance was analyzed and the result revealed is given in Table 6 below:

Table 6. Multiple Regression analysis results

Dependent Factor	Independent Factor	Beta value	“t” value	Collinearity Statistics	
				VIF	Tolerance
Trading Entrepreneur's Performance	Constant	9.748	12.625		
	Location	-0.049	-2.343*	0.997	1.003
	Government Support	-0.025	-0.858	0.992	1.008
	Financial Support	-0.021	-0.836	0.998	1.002
	Self Efficacy	0.325	13.288**	0.994	1.006
	Competitive risks	0.018	1.057	0.988	1.012
	R ² Value	0.243			
	Adjusted R ² Value	0.237			
	F Value	37.886**			
	Durbin Watson value	1.956			

*- 1% level of significance ; 5% level of significance

(Source : Survey Data)

The beta value for the self efficacy is found as 0.325 which implied that increase in the self efficacy of the entrepreneurs increases the performance to the tune of 32.5 percent but at the same time, there is an inverse effect found between the location and the entrepreneur's performance in such a way that decrease in the difficulty of the location of the business increases the performance of the trading entrepreneurs and these two factors “Location” and “ Self efficacy” were highlighted as a forerunner for the trading entrepreneur's performance in the western region of Tamilnadu, India as these two were found statistically significant at 1% and 5% level of significance. It is also proved that there is no multi co linearity noticed among the factors as the value of “Durbin Watson”, “Tolerance “and the “VIF” were good. The graphical representation of the multiple regression analysis is also depicted in figure 3 below:

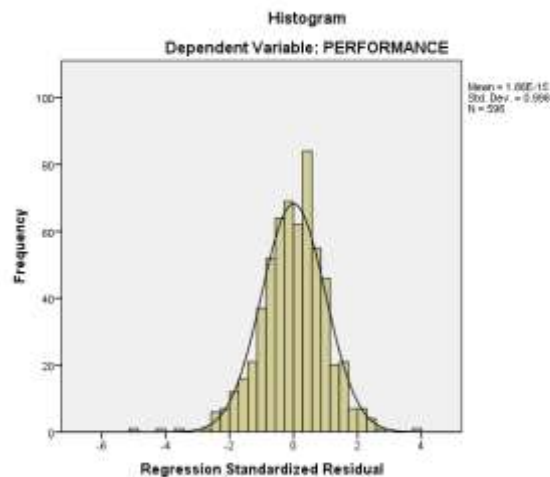


Figure 3. Business Risks Vs Entrepreneur's Performance

Decision Tree Analysis

Patel and Prajapati (2018) pointed out that decision tree is a technique just like the human decision making process which processing the data but here the condition is that the input should have one continuous data. It exhibits all the possible alternatives and tracks the each alternative that may be the best for the conclusion transparently.

In this research, the decision of the entrepreneurs about the performance is investigated through CHAID algorithm in the SPSS 21 tool and the result revealed is given in Figure 4 below:

The main aim of the decision tree analysis is to find what are the demographic factors of the entrepreneurs acting as a predictor for their continuous performance and from the result revealed through CHAID (Chi Square Automatic Interaction Decision) method, it is noticed that the primary predictor for the performance is age and, it is seen that 51.5 percent encompasses the entrepreneurs with the age group of upto 25 years; 36-45 years and 46-55 years and 30.2 percent under the age 26-35 years and only 18.3 percent of the entrepreneurs under the age of above 55 years were inducing the performance. Among the entrepreneurs with the age (upto 25 years; 36-45 years and 46-55 years), the next inducing demographic variable is the experience and of which 14.1 percent ; 12.2 percent and 25.2 percent were found with > 10 years; 5 to 10 years and < 1 year & 1-5 years respectively. Among those whose performance were induced through the experience, it is the entrepreneurs those who have < 1 year and 1-5 years, the subsequent variable which induces the performance is the status of the working/business area where they were doing their entrepreneurship and of which 14.6 percent were from the semi urban and rural area and 10.6 percent were from the Urban area.

For the age group of 26-35 years and above 55 years, the next immediate predicting factor for the performance is the monthly income and educational qualification respectively. Also, the association between the demographic factors and the business risks were analyzed through Crammer's V test and the result revealed is given in Table 7 below:

Table 7. Crammer's V test – Association between the demographic profile and business risks and entrepreneurs performance

Sl. No.	Independent factor (Demographic)	Dependent Factor	Crammer's V value	Significance level	Dependent factor	Crammer's V value	Significance level
01.	Gender	Business Risks	0.261	Insignificant	Trading Entrepreneur's Performance	0.186	Insignificant
02.	Age		0.304*	Significant		0.196*	Significant
03.	Marital Status		0.267	Insignificant		0.170	Insignificant
04.	Status of the area		0.249	Insignificant		0.202*	Significant
05.	Educational Qualification		0.288	Insignificant		0.149	Insignificant
06.	Monthly income		0.316*	Significant		0.141	Insignificant
07.	Experience		0.271	Insignificant		0.165	Insignificant
08.	Type of Business		0.287	Insignificant		0.478**	Significant

(Source: Survey Data) - *-Significance at 5% level; ** - Significance at 1% level

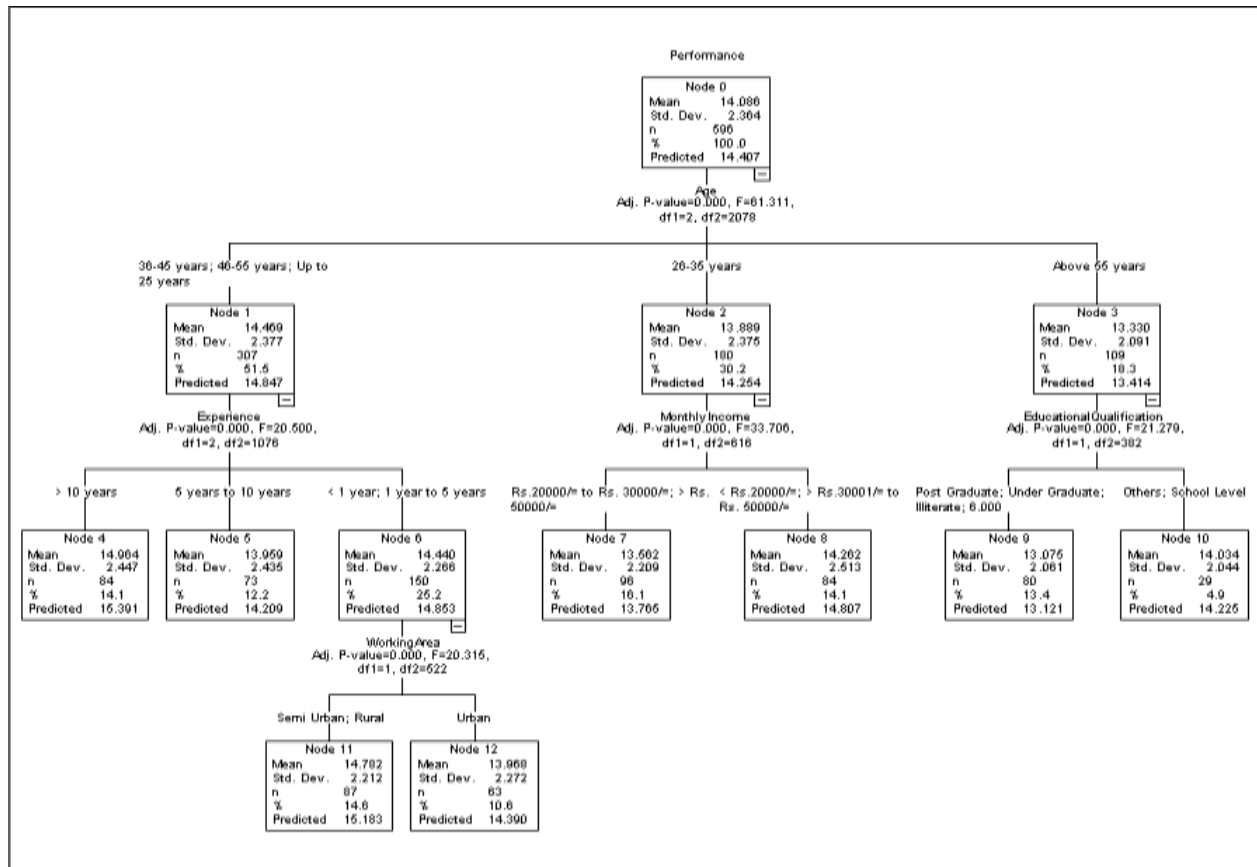


Figure 4. Decision Tree Analysis

(Source: Survey Data - Dependent Factor: Trading Entrepreneur’s Performance)

The result of the crammer’s V test confirmed that there is no significant association found between the factors that influencing the business risks and the business risks except the age and the monthly income at 5% level of significance.

The result of the association between the factors that influencing the business risks and the trading entrepreneur’s performance also confirmed that there is no significant and noteworthy association found between the demographic profile of the entrepreneurs and their performance except with the age, status of the business area and the type of business at 1% and 5% level of significance.

Results and Discussion

Of all the profession, entrepreneurship is the maximum key contributor for the economic growth and development of the Nation. Particularly, (Yoganandham & Kareem2023) highlighted that establishing new businesses definitely creating employment opportunities and positively enhancing the GDP as well as the individual standard of living. But these success could be witnessed only during the stage after succession as a good entrepreneur but prior to this stage, they have faced many risks mainly with the location of the business, problem in getting the government support and financial assistance and especially competition and these business risks definitely makes those entrepreneurs problem in exploiting the opportunities available to them.

Taking this as a core problem, this research mainly focusing on the business risks that the entrepreneurs have and also analyzed how those entrepreneurs overcome these issues through their continuous performance. Basically, there were many risks associated with the business of the entrepreneurs as rightly pointed out by (Alnassai2023; Cooney 2012) such as fear of failure, risk aversion, lack of social networking and resources, political and economic instability but the researcher of this study considered the most important prevailing problems such as location of the business, Government Support, Financial Support, competitive risks and the role of their self efficacy in overcoming these problems by the entrepreneur. Also attempt have made to find the impact of these business risks on the performance of the trading entrepreneur and for this purpose, the western region of Tamilnadu, India encompasses 8 districts were taken as the area of study and about 596 entrepreneurs were contacted for getting the opinion about the study through self administered questionnaire.

Initially, the developed conceptual model was tested for the goodness of fit through structural equation modeling and found with the best and satisfactory result. Later on, to test the research questions formulated for this study, various analyses were done and revealed the following result.

The crammer's V test result confirmed that there is a significant association found between the demographic factors of the entrepreneurs and the business risks and their performance at 1% and 5% level of significance and it corroborated with the outcome of (Soomro et al.2019) who underscored that demographic profile like age, gender, education and experience have optimistic relationship with the entrepreneurs success in their business and (Sajilan et al.2015) who highlighted that there is a positive relationship between the demographic characters of the entrepreneurs with the firm's performance and thereby accepted the alternative hypothesis (H₁).

The path analysis result of the structural equation modeling proved that there is no significant relationship amid the location of the business and the business risks for the entrepreneurs and this outcome found against the result of (Wasim et al. 2023) who identified that there existed a difference in the growth, profit, sustainability and survival of the firm based on the area of the business and (Indarti 2004); (Lumbwe et al. 2018) in the result informed that favorable location optimistically related to the business success and hence the researcher has rejected the alternative hypothesis (H₂).

Ogujiuba et al. (2022) in the research informed that it is the Government support that has an impact on the business plan and the long term business performance by the entrepreneurs and this version was substantiated by (Tadjiev et al. 2023) but in this research, the outcome found totally apathetic and it reflected the non association between the government support and the business risks and thereby rejecting the alternative hypothesis (H₃). While analyzing the influence of the financial support on the business risks and the performance of the entrepreneurs, the result showed that there was no relationship between them and this is not on parallel with the findings of (Engidaw2022 ; Christoper & MFondo2018) who have underlined that it is the lack of financial support that made them struggling in performing the entrepreneur role in their respective business and as per the result of this study, the alternative hypothesis (H₄) is rejected and thereby accepted the null hypothesis (H₀)

In this study, an attempt was also made to find the mediating role of the self efficacy and the competitive risks between the business risks that the entrepreneurs having in their respective business and their performance despite of these business risks and the outcome of the path analysis clearly explained that there is no significant role of self efficacy and the competitive risks but at the same time, the structural equation modeling result revealed that despite having the negative value between the competitive risk and the business risk, when mediating through the competitive risks, there occurred a positive result with the performance which found controversy with the outcome of (Zhao & Seibert 2005) and (Zairbani & Prakash 2023)who pointed out the importance of mediating role of self efficacy in the development of entrepreneurial intention and competitive strategy in the organizational behavior . Also, there is no positive or negative association existed between self efficacy and the business risks in the side of the entrepreneurs. Hence the alternative hypotheses (H₅), (H₇) and (H₈) were rejected. But at the same time, while analyzing the impact of all the factors that influencing the business risks on the performance of the entrepreneurs, it is seen that location of the business and self efficacy were highlighted as a significant forerunner for the performance of the entrepreneur and hence the alternative hypothesis (H₆) is accepted. Hence it is confirmed that despite of the risks persisting in their profession, trading entrepreneur's were performing well through their self efficacy. Even though competitive risk in their profession has an negative sign over the business, the strategy formulated to overcome these competition equipped them to have a long term entrepreneurship.

Conclusion

Basically, entrepreneurs on worldwide facing many challenges for their continuous survival and these problems evolving from any sources and hence they should be ready to face all those hurdles in their profession. This was being witnessed by many earlier research works and many ideas and suggestions were received to overcome those hurdles. Despite those ideas, still those entrepreneurs were facing risks in their business. To know the present status of the entrepreneurs particularly among the trading entrepreneurs, factors such as Location of the business, Government Support, Financial Support, Self efficacy and competitive risks were considered in this study and its impact on the performance of the entrepreneur was investigated. But the result of the study concluded that there is no significant impact of the factors under business risks on the entrepreneur's performance and in fact, location and self efficacy were highlighted as a significant predictor for the performance. Even though there was no impact of those factors on the performance, it is mandatory for the entrepreneurs to cater the challenges through a best business strategy for their long term business and to achieve this, support from the Government and fiscal institutions are very much needed for their success.

Limitations and Scope for future research

This is the research about the impact of business research on the performance of the entrepreneurs particularly the trading entrepreneur. But it is well known that there are many types of entrepreneurs and they were facing many problems which were not discussed in this research. Also, the area of study is the western region of Tamilnadu, India which has only 8 districts. Sample size taken was also only 596. Hence it is suggested to carry out further research on the topic by considering more geographic location along with high sample size and by applying exclusive tools for data analysis so that best result could be given to the audience.

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