

# A Study of Entrepreneurs' Background and their Perception of Tourism in Goa

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## Abstract

Entrepreneurs' role in economic development of a country has been recognized very well. The field of tourism is also experiencing this wave of development where entrepreneurs are shaping industry for a larger role. Tourism is capable of providing 360 degree development for any place.

The destination Goa is a renowned tourist place with a peaceful and happening image. The business of tourism is in place, is moving up and down with response to tourism in state. Tourism is benefitting entrepreneurs in Goa state for a long time now. The paper deals with the entrepreneurs who are actively involved in the field of tourism. The study focuses on the background study of these entrepreneurs and their perception about tourism in state. A relationship has been tried to establish between enterprise stages of development with tourism stage in Goa.

**Keyword:** Entrepreneur, Tourism, Profile, Enterprise Stage, Tourism Stage

## Introduction

Entrepreneurs are the talk of town. Everyone is recognizing their role in development of this country. Government has started new courses on this; training centres have been developed to nurture natural talent of entrepreneurs. Government is seeing entrepreneurship the only solution of its increasing employment demand and that's true. An entrepreneur is a true wealth creator, a

magician who creates wonders out of nothing and that's how countries are growing. Indian entrepreneurs also have done great things in past and seems committed to follow in the future.

Tourism has capability to transform entire society and bring foreign wealth through the easiest way. One of the fastest growing industry, great demand and relaxed environment makes it one of the most demanding industries. Places where industrial input is less have been converted to tourist hub and it has just brought surprising results. Almost every state in India is eyeing for this tourism pie through various means.

Goa is one such nice place which depends quite on tourism industry and related services. Every bit of Goa at times seems a tourist destination. There are celebrations, enjoyment happening in Goa yet there seems a balance in daily life and tourism. People have involved themselves in tourism for their daily livelihood. Various enterprises have started with new concepts altogether.

## Literature Review

Development is a slippery term, which is highly dynamic in nature and refers to a process through which a society moves from one condition to another condition of development. At the same time, it has been suggested that development is a philosophical concept as it alludes to a desirable future state for a particular society, whilst development plans set out the steps for the achievement of that future state. Development is also considered to be virtually synonymous with progress, implying positive transformation or 'good change' (Thomas, 2000).

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Generally, then, development may be seen as a term 'bereft of precise meaning...and... little more than the lazy thinkers catch-all term, used to mean anything from broad, undefined change to quite specific events' (Welch, 1984).

In simpler words, development is simply a process of socio-economic change.

Traditionally, development has been defined in terms of western-style modernization achieved through economic growth (Redclift, 1987). This is, as the national economy grows, the national productive capacity increases and, as long as output grows at a faster rate than the population growth rate, then development is assumed to be the inevitable consequence.

This perceived 'primary role of economic forces in bringing about the development of a society has often been taken as axiomatic, so that development and economic development have come to be regarded as synonymous'. (Mabogunje, 1980)

Entrepreneurship has not been a prominent area in tourism development research. Some case-specific work on indigenous participation has been done on the Solomon Islands and Fiji (Bani, 1989; Kuve, 1989; Swailu, 1989), and in the Caribbean (Lundgren, 1973, 1975).

Within Goa, entrepreneurship can be better understood when placed in economic, political, and social contexts. Gaining an understanding of entrepreneurs and their activities has important implications for policymaking sectorally and nationally, particularly as entrepreneurs continue to aid the development process by employing both human and physical resources in increasingly valuable ways.

## Objectives

The brief objectives of the study are:

- a. To analyse socio-economic background of entrepreneurs who started their business in tourism industry in Goa.
- b. To analyse perception of entrepreneurs regarding stage of tourism in Goa.
- c. To assess relationship between entrepreneurs' growth with tourism.

## Hypothesis of the Study

In congruence with the objectives, an attempt has been made to test following hypotheses:

**H<sub>0</sub>1:** There is no statistically significant difference between enterprise development stage and tourism growth.

**H<sub>1</sub>1:** There is statistically significant difference between enterprise development stage and tourism growth.

## Methodology

### Approaches to Information Collection

#### Sampling

In this research, a purposive sample of 150 entrepreneurs doing business in the field of tourism and hospitality industry was taken for primary data collection. The sample chosen are convenient and selective. To ensure proper coverage of the sample, it was decided to draw sample from all major cities of Goa. Majority of the respondents are from three major cities where large numbers of tourism companies are located, i.e. Panaji, Margao and Ponda.

#### Sample Size

Sample size for the survey is 150.

#### Selection of Questionnaire Administration Method

The method used for data collection is personal administration of questionnaire by researcher.

#### Tabulating for Analysis

The primary data was then tabulated for analysis.

## Data Analysis and Interpretation

### Background Factor-wise Profile of Entrepreneurs in Tourism

Background factors like age, gender, marital status, previous job experience, business background etc. do have

a sound effect on shaping a person as an entrepreneur. The background factors are divided into two parts, i.e. demographic and sociological Factors.

### Demographic Factor-wise Profile

Demography is the study of human population statistics.

#### Location-wise Profile of Entrepreneurs

The data have been collected from 150 entrepreneurs from 8 cities of Goa. The entrepreneurs doing business in various fields of tourism and hospitality like hotel, tour and travel, handicraft etc. were included in the sample.

**Table 1: Location-wise Profile of Entrepreneurs**

Place	Frequency	Percent
Panaji	105	70.00
Margao	15	10.00
Ponda	7	4.67
Salcete	4	2.67
Bardez	10	6.67
Vasco Da Gama	7	4.67
Old Goa	2	1.33

As it is clear from Table 1 that most of the samples (70 %) have been taken from main city Panaji, followed by Margao, Bardej, Vasco Da Gama.

#### Gender-wise Profile of Respondents

Enquiries into entrepreneurship have a tendency to centre on male, mainly due to their numerical strength and visibility. This scenario is slowly changing. Driven by the desire for economic independence and better social status, more and more female are entering into entrepreneurship. But as indicated by the study, the participation of women into tourism sector as entrepreneur is still to get momentum.

**Table 2: Gender-wise Profile of Respondents**

Gender	Frequency	Percent
1 Male	136	90.67
2 Female	14	9.33
Total	150	100.00

As indicated from Table 2 that female participation as entrepreneurs in Goa tourism is not very significant. Male entrepreneurs account for 91 percent whereas female entrepreneurs are meager 9 percent. This represents that entrepreneurship activity in Goa Tourism is male dominated with very less participation of female entrepreneurship.

#### Present Age-wise Profile of Entrepreneurs

The data accounts for the present age of entrepreneurs in Tourism. The general notion is that mostly young people emerge as entrepreneurs as they can spend more time to for the development of the business and are socially less responsible.

**Table 3: Present Age-wise Profile of Entrepreneurs**

Group	Frequency	Percent
Less than 25	11	7.3
26 to 35	49	32.7
36 to 45	51	34.0
46 to 55	32	21.3
More than 56	7	4.7
Total	150	100.0

From Table 3, the researcher finds out the interesting fact that it's only about 7 percent entrepreneurs who are of less than 25 years of age (and it's really a good sign that at such a young age they found entrepreneurship as their future of life). Then we have the largest group of entrepreneurs from the age group of 36 to 45 yrs i.e. 34 percent, followed by age group of 26 to 35 which is 32.7 percent. If we combine first two age groups we can deduce that 40 percent entrepreneurial activities are initiated by relatively young generation.

It's evident from the table that the entrepreneurial activities are significantly less beyond 56 years of age.

#### Educational Qualification-wise Profile of Entrepreneurs

The general assumption that has acceptance among most people is that professional and technical education often provides the base for development of entrepreneurship. The professional and technical education is seemed to help entrepreneurs to identify right kind of business, the right market and the most appropriate technology. It is

also clear that professional education helps entrepreneurs in taking various strategic business decisions (related to costs, raw material procurement, selection of appropriate technology, and recruiting manpower). Thus, one could say that education of an entrepreneur does make a difference in the process of entrepreneurship.

**Table 4: Educational Qualification-wise Profile of Entrepreneurs**

Qualification	Frequency	Percent
Upto 12th	56	37.3
Graduation	50	33.3
Post-graduation	23	15.3
Specialisation	8	5.3
Any Other	13	8.7
Total	150	100.0

Table 4 indicates that entrepreneurs in tourism sector are not highly educated. 37 percent of entrepreneurs are 12<sup>th</sup> pass only. Further, graduates constitute 33 percent. Together it makes 71 percent of the entrepreneurs' population who are under graduate. Further specialization field e.g. hotel management course, tourism course, management course etc. is possessed by merely 5.3 percent population. Those who have acquired education in other field make fair contribution of 8.7 %.

### Previous Job Experience-wise Profile of Entrepreneurs

Occupational background and previous job experience do play a significant role in the process of entrepreneurship. The previous job experience often influence the entrepreneur by which the entrepreneur is able to bring all his acquired knowledge, experience and skill into the new business. Many a times job experience of the related industry creates awareness and knowledge about the customer demand or market gap which forces a person to start his own venture to fill in the much needed gap.

**Table 5: Previous Job Experience-wise Profile of Entrepreneurs**

Option	Frequency	Percent
Yes	76	50.7
No	74	49.3
Total	150	100.0

As indicated by Table 5, about 50.7 per cent of entrepreneurs have previous job experience while 49.3 percent have started their venture without seeking any job experience. This indicates that rather than directly jumping into venture, majority of entrepreneurs first of all prefer to take job and then after due experience of basic business tactics, they prefer to enter into business.

### Social Factor-wise Profile of Entrepreneurs

Socio-cultural factors like family background, norms and values of the immediate social circle, formal education system etc. are always given due respect in the entrepreneurship research. The values and attitudes of an individual are a function of the socio-cultural milieu. The influence of this milieu is in terms of developing normative behaviour in the individual. Entrepreneurial behaviours, which reflect inclinations toward initiative and risk taking, dependence or self-reliance, etc., are result of the socialization process in the family, school and society. Behaviour rewarded through appreciation, encouragement and other extrinsic as well as intrinsic devices by social environment get reinforced and take a definite shape. With this conception and looking at the requirement of the study, the following sociological factors are selected:

- Business background
- Role of training
- Role of business nature
- Role of initial investment
- Ole of ownership profile

### Business Background-wise Profile of Entrepreneurs

Business background plays a vital role in carrying out an entrepreneurial activity especially in second and third generation entrepreneurs. There are several studies which suggest that a good proportion of entrepreneurs emerge from families with entrepreneurial background or business traditions. What is it in a home of businessman that contributes towards building entrepreneurs? This has not been conclusively established by research. In a business family, the parents tend to socialize their children towards self-reliance and independence that might move an individual towards entrepreneurship. It is not known whether much early socialization in the family plays a great role in drawing a person towards entrepreneurship or not.

**Table 6: Business Background-wise Profile of Entrepreneurs**

Option	Frequency	Percent
Yes	84	56.0
No	66	44.0
Total	150	100.0

Table 6 indicates that 56 % entrepreneurs had business background and 44 % entrepreneurs who started business in tourism line had no business background prior.

#### Training-wise profile of respondents

Training in related field encourages and facilitates one to work on one's own enterprise.

The know-how information makes things easier.

**Table 7: Training-wise Profile of Entrepreneurs**

Option	Frequency	Percent
Yes	63	42.0
No	87	58.0
Total	150	100.0

Table 7 indicates that 42 % of entrepreneurs who were involved in tourism enterprise had undergone some training. There are still 58 % of entrepreneurs who did not have any kind of training before starting a project.

#### Business Nature of the Respondents

Tourism offers a wider range of business entity. For data collection, 8 different categories were targeted for variety of information. Total data collection was 150.

**Table 8: Business Nature of the Respondents**

Business Type	Frequency	Percent
Tour	24	16.0
Restaurant/ Bar	43	28.7
Cruise	2	1.3
Hotel	29	19.3
Parlour	2	1.3
Handicraft	4	2.7
Guide	2	1.3
Any Other	44	29.3
Total	150	100.0

Table 8 indicates that three main business forms i.e. Tour Operators, Restaurant/ Bar and Hotel business make the major 64 % of the data collection for this study while other forms i.e. Cruise, Parlour, Handicrafts, Guides etc. take into account 35.9 % of the sample size. This is well in line with the spread of tourism enterprises in Goa.

#### Initial Investment-wise Profile of Entrepreneurs

The size of business depends upon the initial investments. More you invest, higher will be the return.

**Table 9: Initial Investment-wise Profile of Entrepreneurs**

Investment	Frequency	Percent
Micro	83	55.3
Small	49	32.7
Medium	12	8.0
Large	6	4.0
Total	150	100.0

The researcher finds that 55.3 % business owner had a micro level investment followed by 32.7 % investment at small level whereas medium level and large level investment together account for 12 % only. This highlights the important fact that small scale industry forms the bases for entrepreneurship and thus employment is created.

#### Ownership Profile of Entrepreneurs

The ownership forms depend upon the size of business. At small level its individual ownership the major form. As business grows other forms of ownerships appear.

**Table 10: Ownership Profile of Entrepreneurs**

Type	Frequency	Percent
Proprietorship	77	51.3
Partnership	34	22.7
Family Business	29	19.3
Private Limited	10	6.7
Total	150	100.0

Proprietorship and Family Business makes the major chunk of ownership forms which accounts for 74 % business. Family and Ltd ownership form comparatively much lesser share accounting for 26 % in sample size.

## Present stage of Enterprise-wise Profile of Entrepreneurs

At present, hospitality industry in general and tourism in particular, are considered to be the golden baby for future of Indian economy. Since last few years, the growth of tourism industry is phenomenal and it is opening new avenues of business with passing of every day. The data have been collected on present stage of enterprise of sample respondent to know the stage of tourism industry in Goa at industry life cycle.

**Table 11: Present Stage of Enterprise-wise Profile of Entrepreneur**

Stage	Frequency	Percent
Nascent	18	12.0
Growing	113	75.3
Mature	17	11.3
Decline	2	1.3
Total	150	100.0

As we can see from Table 11, the growth in tourism sector in Goa is reflected into the enterprise growth stage and

highest number of enterprise (about 75.3 per cent) is in the growth stage in Goa. On other hand, there is only 1.3 per cent of industry that is in decline or transformation stage.

## Stage of Tourism According to Entrepreneurs

**Table 12: Stage of Tourism**

Stage	Frequency	Percent
Start up	11	7.33
Advancing	108	72.00
Stagnant	21	14.00
Declining	10	6.67

It is clear from Table 12 that majority feel Goa tourism is advancing. It's a good sign.

## Relationship Between Status of Business and Stage of Goa Tourism

**H<sub>0</sub>:** There is no statistically significant difference between entrepreneur's status of business and stage of tourism.

**H<sub>1</sub>:** There is statistically significant difference between entrepreneur's status of business and stage of tourism.

**Table 13: Status of Business and Stage of Goa Tourism**

Status of Business			Stage of Goa Tourism				Total
			Start Up	Advancing	Stagnant	Declining	
Nascent	Count		1	12	2	3	18
	% within Status of Business		5.6%	66.7%	11.1%	16.7%	100.0%
	% of Total		.7%	8.0%	1.3%	2.0%	12.0%
Growing	Count		10	80	16	7	113
	% within Status of Business		8.8%	70.8%	14.2%	6.2%	100.0%
	% of Total		6.7%	53.3%	10.7%	4.7%	75.3%
Mature	Count		0	15	2	0	17
	% within Status of Business		.0%	88.2%	11.8%	.0%	100.0%
	% of Total		.0%	10.0%	1.3%	.0%	11.3%
Decline	Count		0	1	1	0	2
	% within Status of Business		.0%	50.0%	50.0%	.0%	100.0%
	% of Total		.0%	.7%	.7%	.0%	1.3%
Total	Count		11	108	21	10	150
	% within Status of Business		7.3%	72.0%	14.0%	6.7%	100.0%
	% of Total		7.3%	72.0%	14.0%	6.7%	100.0%

Table 13 shows statistics for the relationship between status of business and stage of Goa tourism. It's evident from the table that there are 12 respondents who feel that their business is at nascent stage and tourism is advancing, i.e. 8 percent of the entire result. Then there are 53.3 percent entrepreneurs believe that their business is advancing and tourism growth is maintained too. 10 percent of the respondents think that their business is at maturity level but stage of tourism is advancing. Only 1.3 percent believes that tourism is stagnant and business has reached to its maturity. No one at decline stage of business says that tourism is declining in Goa. One respondent said it is stagnant which is mere .7 percent of the total figure.

Further, the relationship is clearer from the table that from total 150 respondents, 18 respondents are at the nascent stage of their business and 11 respondents feel that tourism is at startup stage. Similarly 113 respondents at a stage of growing stage of their business and 108 feel that tourism in Goa is advancing. 17 respondents are at mature stage of their business and 21 out of 150 believe that tourism is stagnant. 2 respondents who find their business is declining say that tourism in Goa is also declining.

### Inference

It is clear from the chart that the way tourism stage is moving up and down in Goa, the state of Business is also moving. Business is highest at growing stage when tourism is at advancing stage. The null hypothesis is accepted here.

Hence we can say that status of entrepreneur's business is dependent on Stage of Tourism.

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