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Challenges for Adopting Strategic Entrepreneurship in Small Businesses: A Study with Reference to the Southern Region of Tamil Nadu

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Abstract

The purpose of this study is to examine the challenges of small businesses in Tamil Nadu face when adopting strategic entrepreneurship. It seeks to understand how the demographic profiles like Age, gender and educational qualification are influence the challenges for adopting strategic entrepreneurship. This study used a qualitative approach was employed, utilizing a Stratified Random Sampling Technique to select the 380 Small businesses across various sectors in the southern region of Tamil Nadu. Structured Questionnaires were used to gather data on the challenges for adopting strategic entrepreneurship. The percentage analysis for demographic profile, weighted average for the rank of the challenges and Kruskal-Wallis test was utilized for the testing of hypotheses. The study revealed the 20 challenges faced by the small business for adopting the strategic entrepreneurship including limited financial resources, lack of skilled personnel, etc. The demographic profile of the respondents highlighted a predominance of middle aged and male entrepreneurs with more business experience. The weighted average shows that mindset of the employee and limited financial resources are the high mean score and rank. The Kruskal – Wallis test shows the result of the hypotheses. This study adds to the body of knowledge by highlighting specific challenges that small businesses confront. By considering demographic profiles, it offers valuable insights for policy makers and business stakeholders to develop targeted strategies. The utilization of the Kruskal-Wallis test provides a rigorous statistical analysis of the association between demographic profiles and challenges enhancing the originality and validity of the findings.

Keywords: Adoption, Challenges, Innovation, Small Business, Strategic Entrepreneurship.

Introduction

Strategic Entrepreneurship represents a dynamic and multidimensional approach to business management that combines entrepreneurial actions with strategic thinking to create and sustain competitive advantages in today's rapidly evolving business environment. As its core, strategic entrepreneurship involves the proactive identification and exploitation of opportunities while effectively navigating the challenges posed by volatile market conditions and intense competition (1). Unlike traditional views of entrepreneurship that focus on the creation of new ventures, strategic entrepreneurship encompasses a broader spectrum of activities, including innovation management, resource allocation, and strategic decision making within both new and established businesses (2). The concept of strategic entrepreneurship is the integration of entrepreneurial mindset (3), strategic vision, and operational execution. It requires leaders and managers to cultivate an entrepreneurial orientation within their organizations, fostering a culture of creativity, risk taking, and opportunity seeking at all levels (4). Moreover, strategic entrepreneurship involves the systematic identification and exploitation of opportunities through a combination of market sensing, resource leveraging, and strategic positioning strategies (5). Small businesses are the backbone of economies worldwide, serving as engines of innovation, job creation, and economic growth (6, 7). Their limited scale of operations, small businesses typically have fewer employees, lower revenue, and more localized market compared to large businesses. Many small businesses are founded by individuals or small groups of entrepreneurs who are driven by passion, vision, and a desire to make a difference in their communities. These

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entrepreneurs often take on significant risks to pursue their ventures, leveraging their creativity, resourcefulness, and resilience to overcome challenges and seize opportunities (8). However, small businesses also benefit from certain advantages, such as agility, flexibility, and the ability to forge strong relationships with customers and suppliers (9). Digital tools and online platforms have enabled small businesses to reach broader audiences and streamline their operations, but they have also intensified competition and raised expectations for innovation and customer service (10).

Strategic entrepreneurship is a combination of the entrepreneurship with strategic management. It involves the strategic thinking, future vision, innovation and entrepreneurial orientation etc. In strategic entrepreneurship is the essence of entrepreneurship to create wealth with identify and utilize the opportunities in a right time (11). In short, strategic entrepreneurship is the integration of opportunity seeking behaviour and advantage seeking behaviour in developing and taking actions designed to create wealth (3). This approach recognizes that entrepreneurship is not merely about launching new ventures but also about the continuous renewal and adaptation of existing businesses to stay ahead in an increasingly competitive marketplace. Strategic entrepreneurship emphasizes the importance of aligning entrepreneurial initiatives with the broader strategic goals and objectives of the organization, ensuring that innovative endeavours contribute to long-term value creation and sustainable growth (12).

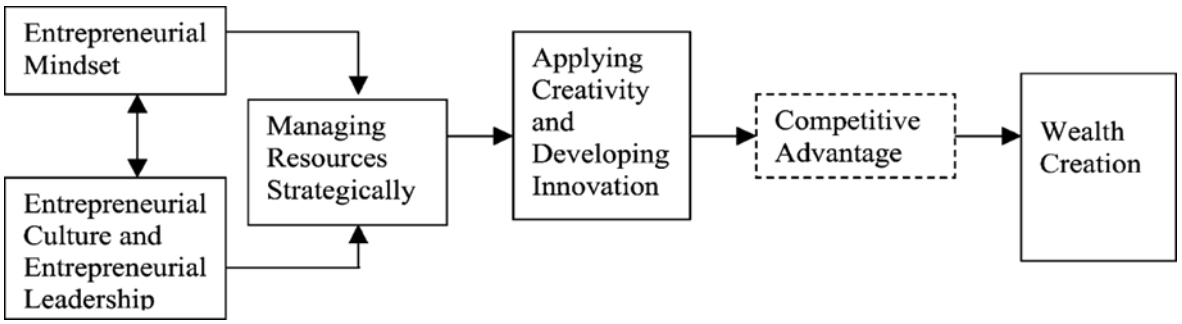

Figure 1: Model of Strategic Entrepreneurship; Source: Ireland *et al.,* 2003 (12)

Figure 1 shows the how strategic entrepreneurship creates a wealth creation with the four major dimensions. They are entrepreneurial mindset, entrepreneurial culture and leadership, managing resources strategically, and applying creativity and developing innovation (12). In that dimensions first two states that entrepreneurial orientation, framework and entrepreneurial opportunities, then third one states that opportunity seeking behaviour and advantage seeking behaviour (13) with the how resources are using strategically and managing the resources, finally the last one states that applying the creativity in the business and developing innovation in the products or services for the better outcomes.

According to Lumpkin and Dess (4), strategic entrepreneurship represents "the integration of entrepreneurial and strategic perspectives," emphasizing the proactive identification and exploitation of opportunities to create value. In small businesses, this integration is particularly critical, as they often operate in resource-constrained environments where strategic agility and innovation can be potent drivers of growth and resilience (14).

Strategic entrepreneurship in small businesses in Tamil Nadu marks a significant nexus between innovation, adaptability, and economic development. Tamil Nadu, a state situated in southern India, hosts a thriving ecosystem of small businesses that contribute substantially to the region's economic vitality. Small businesses in Tamil Nadu demonstrate a unique blend of entrepreneurial spirit and strategic foresight, allowing them to seize opportunities and tackle market uncertainties effectively. One of the key aspects of strategic entrepreneurship in small businesses in Tamil Nadu is the alignment of entrepreneurial actions with broader strategic objectives (12). These businesses strategically allocate resources, foster innovation, and build competitive advantages tailored to the local market dynamics. Moreover, they exhibit resilience in the face of challenges such as regulatory constraints, access to finance, and

infrastructure limitations. The strategic entrepreneurship paradigm in small businesses in Tamil Nadu is characterized by a continuous process of sensing, seizing, and transforming opportunities (5). Entrepreneurs in Tamil Nadu leverage their networks, adopt new technologies, and adapt their business models to stay ahead in an increasingly competitive environment. Recent studies and data on strategic entrepreneurship in India's small firms demonstrate the important role that these companies play in the national economy. According to the Ministry of Micro, Small, and Medium Enterprises (MSME), the industry makes up 48% of India's exports and almost 30% of the country's GDP. With more than 110 million workers, this industry is an essential part of India's economy.

Theoretical Framework

Strategic entrepreneurship involves the integration of entrepreneurial actions with strategic management principles to navigate competitive environments and foster organizational development (3). Based on the synthesis of entrepreneurial actions and strategic thinking, this approach emphasizes proactive pursuit of opportunities while addressing challenges in dynamic environments (1). Drafting from theoretical frameworks such as the resource-based view (15, 16), dynamic capabilities perspective (5), and social cognitive theory (17), strategic entrepreneurship underscores the necessity of identifying and leveraging valuable, rare, and difficult-to-imitate resources to gain a competitive advantage (16, 18). Additionally, it recognizes the role of dynamic capabilities in sensing market opportunities, adapting to change, and renewing organizational capabilities (19, 20). By combining entrepreneurial actions with strategic foresight, firms can foster innovation, stability, and long-term growth (20, 21). Institutional theory also elucidates how businesses incorporate entrepreneurial activity into larger institutional settings, influencing their strategic decisions and actions (22, 23).

Strategic entrepreneurship encompasses creating value for customers and generating wealth for external stakeholders (24), with digital transformations emerging as crucial strategies for organizations (25). In facilitating the creation and exploitation of opportunities while balancing risks and uncertainties in the competitive environment (26). In sustainable entrepreneurship, promoting business operations like business plans (27) significantly impacts entrepreneurs and startups. Strategic entrepreneurship encompasses the entrepreneurial mindset (28), culture, and leadership needed to identify or create opportunities. A conceptual framework addresses two seemingly contradictory propositions in the field of strategic management (29). Strategic entrepreneurial awareness and continuous innovation (30), along with balancing exploitation and exploration (31) activities, enhance organizational performance (32).

Through strategic entrepreneurship, businesses may simultaneously leverage present competitive advantages and seek opportunities for future improvement (33). According to Joseph Schumpeter, entrepreneurs drive innovations amid competition, leading to economic growth (34). Moreover, strategic entrepreneurship incorporates strategic networks, entrepreneurial ventures (35), collaborations, innovation, and creativity (36) to enhance businesses. A significant alteration in an organization's decision-making pattern is necessary as part of an entrepreneurial strategy (37), with knowledge investments by existing firms considered for decision-making (38). The input-process-output model in strategic entrepreneurship aids in identifying outcomes and firm performance (39). Additionally, fostering a new mindset among entrepreneurs and startups regarding strategic entrepreneurship (24), and evolving strategic behavior to improve innovation, are crucial. Firms should also adapt to technology-based systems (40). Academic entrepreneurs integrate strategic entrepreneurship in universities (41) to inspire students' entrepreneurship involvement and focus on innovation for future businesses (42). Mazzei advocates for a better understanding of strategic entrepreneurship using the "theoretical toolbox approach" (43) and applies the knowledge spillovers theory to entrepreneurship perspectives (44).

Small Business

Small businesses are vital contributors to economic growth, innovation, and employment across the world. Their significance is well documented in contemporary research, emphasizing their role in enhancing economic resilience and community development (6). The

resource-based view of a firm's resources and capabilities is crucial to achieving and sustaining a competitive advantage (15). This approach emphasizes the significance of distinctive, priceless, and non-replicable resources for small enterprises, such as specialized knowledge, abilities, and connections that can propel their development. Small enterprises must cultivate elastic competencies to accommodate shifts in the market, innovations in technology, and intensified competition. Entrepreneurial orientation refers to the processes, practices, and decision–making activities that lead to new entry (4). For small businesses, entrepreneurial orientation encompasses innovativeness, proactiveness, and risk-taking (45). High levels of entrepreneurial orientation are associated with better performance and growth in small enterprises (46). Small businesses operate within regulatory normative and cognitive frameworks that shape their strategies and operations (47). Small businesses contribute disproportionately to job creation compared to larger firms (48). Access to finance is a major issue, with many small businesses struggling to secure the necessary capital to start, sustain, and grow their operations (49). This financing gap is often exacerbated by the high risk perception among lenders and investors regarding small businesses (50). Small businesses often find it difficult to navigate complex regulatory environments, which can vary significantly by region and industry (51). Compliance with these regulations can be costly and time-consuming, diverting resources away from core business activities (52). Small businesses are often more innovative than larger firms, due to their flexibility and closer relationships with customers (53). Effective networking can help small businesses overcome resource constraints and enhance their competitive position (54). Digital technologies offer new opportunities for small businesses to enhance their operations, reach new markets, and improve customer engagement (55). However, the adaptation of digital technologies also presents challenges, including the need for new skills, cyber security concerns, and the cost of implementation (56). Sustainability is becoming increasingly important for small businesses. Integrating sustainable practices can enhance a firm's reputation, build customer loyalty, and ensure long-term viability (57).

Research Gap

Although much research has been done on strategic entrepreneurship and how it can help companies grow and innovate, there is still a big knowledge vacuum regarding the unique challenges small businesses in Tamil Nadu's southern region face when trying to adopt strategic entrepreneurship. While the principles of strategic entrepreneurship have been extensively researched in several settings, small-scale entrepreneurs may face particular obstacles and prospects due to the distinct socio-economic and cultural dynamics of Tamil Nadu's southern region. Consequently, an empirical study aimed at pinpointing and dissecting the particular challenges implementing the adoption of strategic entrepreneurial methods in small-scale enterprises in this area is required. This gap in the literature emphasizes the need for a study that focuses on the difficulties that small businesses in Tamil Nadu's southern region face when adopting strategic entrepreneurship practices.

Research Question

"What are the main challenges faced by small businesses in adopting strategic entrepreneurship?" Small businesses face significant challenges in adopting strategic entrepreneurship due to limited financial resources, insufficient skilled labor, and inadequate technological capabilities. Tight budgets and small teams hinder investment in innovative projects and strategic planning**.**

Hypothesis

There is no association between the challenges of adopting strategic entrepreneurship and the age of the respondents. Similarly, there is no significant link between these challenges and the gender of the respondents. Additionally, the educational qualification of the respondents does not influence the challenges faced in adopting strategic entrepreneurship.

Methodology

The study will use a quantitative methodology to analyze the challenges faced by small-scale businesses in adopting strategic entrepreneurship in the Southern region of Tamil Nadu.

Sampling Technique: The study uses a stratified random sampling technique; the study will select

an adequate sample number of small businesses from different sectors in the Southern region of Tamil Nadu. With a sample size of 380 small businesses owners/ entrepreneurs. In southern region of Tamil Nadu includes the 9 districts, they are Dindigul, Kanyakumari, Madurai, Ramanathapuram, Sivaganga, Theni, Thoothukudi, Thirunelveli and Virudhunagar. The 50 questionnaire are distributed to each districts and researcher can get the 380 samples.

Data Collection Methods: The chosen small businesses will get structured questionnaires to gather quantitative information on the challenges they have adopting strategic entrepreneurship.

Data Analysis: The study will utilize the non-parametric Kruskal-Wallis test as the primary statistical method for analyzing the challenges and testing the hypotheses.

Results

Demographic Profile

The demographic profile gives a summary of the main attributes of the population under study, including age, gender, income, education, etc (58). It emphasizes how critical it is to comprehend these demographic variables in research and how they affect decision-making across a range of domains (59).

Table 1: Demographic Profile of the Respondents

S.No	Characteristics	Distribution	Frequency (N=380)	Percentage %
1.	Age	Below 25 years	32	8.4
		26 – 35years	77	20.3
		36 – 45 years	163	42.9
		Above 46 years	108	28.4
2.	Gender	Male	235	61.8
		Female	145	38.2
3.	Business Experience	Below 2 years	33	8.7
		3 – 5 years	68	17.9
		6 – 8 years	104	27.4
		Above 9 years	175	46.1
4.	Business Sector	Manufacturing	60	15.8
		Service	85	22.4
		Retail	122	32.1
		Any others	113	29.7
5.	Marital Status	Married	226	59.5
		Unmarried	109	28.7
		Widowed	29	7.6
		Divorce	16	4.2
6.	Monthly Income from Business	Below Rs.25,000	84	22.1
		Rs.26,000 – Rs.75,000	152	40.0
		Rs.76,000 – Rs.1,25,000	80	21.1
		Above Rs.1,26,000	64	16.8
7.	Educational Qualification	Matriculation	49	12.9
		High School	104	27.4
		Graduate	182	47.9
		Any others	45	11.8
8.	Type of Organization	Sole Proprietorship	150	39.5
		Partnership	96	25.3
		Corporations	50	13.2
		Any others	84	22.1
9.	Do you review and update your business strategy	Quarterly	97	25.5
		Annually	108	28.4

	Bi-annually	84	22.1
	Rarely or never	91	23.9
10. Innovation to your business strategy	Extremely Important	64	16.8
	Very Important	155	40.8
	Moderately Important	83	21.8
	Not Important	78	20.5
11. Main sources of funding for strategic initiatives	Personal funds	139	36.6
	Bank loans	85	22.4
	Venture capital	78	20.5
	Any others	78	20.5

The respondents' demographic profile provides informative details about the small-business environment in the research location. The majority of entrepreneurs are between the ages of 36 to 45, with those over 46 coming in second. This suggests that middle-aged business owners are common. The sample is mostly male, which further suggests that there is a gender gap in small business ownership. There are seasoned entrepreneurs among the respondents, as seen by the large number of respondents who claim to have over nine years of experience in business. The retail sector emerges as the leading industry, trailed by manufacturing and services, demonstrating the variety of industries represented. The majority of participants are married, and a significant percentage report having moderate monthly wages. Most of them have graduated from college, highlighting the significance of education in entrepreneurship. The most common organizational structure, which reflects trends in individual ownership, is the sole proprietorship. It's interesting to note that a lot of business owners evaluate and revise their plans every year, placing a heavy focus on innovation and using their own money to finance key initiatives. All things considered, this profile offers insightful information about small businesses.

Weighted Average

A weighted average is a calculation that considers the different weights assigned to each number in a dataset (60). To calculate a weighted average, each number in the dataset is multiplied by its predetermined weight. These weighted values are then summed, and the total is divided by the sum of the weights to obtain the final weighted average (61).

Table 2: Challenges faced by the Small Businesses to Adopt Strategic Entrepreneurship

S.No	Statement	Weight Score					Total weight Score	Std. deviation	Variance	Mean score	Rank
		SDA 1	DA 2	N 3	A 4	SA 5					
1.	Limited financial resources	9	44	66	120	141	1480	1.101	1.213	3.89	2
2.	Lack of skilled personnel	16	57	45	147	115	1428	1.165	1.357	3.77	5
3.	High levels of competition	14	65	68	120	113	1393	1.176	1.384	3.67	10
4.	Insufficient technological infrastructure	17	70	75	122	96	1350	1.180	1.393	3.55	12
5.	Market fluctuations	14	57	69	118	122	1417	1.168	1.364	3.73	7
6.	Lack of access to networks	26	58	41	123	132	1417	1.270	1.612	3.73	7
7.	Lack of strategic partnerships	22	66	54	128	110	1378	1.230	1.512	3.63	11

8.	Balancing short-term profitability with long-term growth	9	53	64	132	122	1445	1.107	1.225	3.80	4
9.	Inefficient internal communication	14	59	64	118	125	1421	1.177	1.386	3.74	6
10.	Limited access to mentorship	15	59	111	119	76	1322	1.095	1.200	3.48	14
11.	Maintain innovation in product	16	62	102	115	85	1331	1.131	1.280	3.50	13
12.	Impact of globalization on supply chains	11	67	136	96	70	1287	1.065	1.135	3.39	17
13.	Difficulty in new Technologies	27	72	93	114	74	1276	1.195	1.428	3.36	18
14.	Risk management	22	52	114	134	58	1294	1.082	1.170	3.41	15
15.	Sustainability / Environmental impact	13	90	87	133	57	1271	1.099	1.208	3.34	19
16.	Changing Consumer Preferences and trends	7	96	103	113	61	1265	1.077	1.161	3.33	20
17.	Difficulty in scaling operations	12	84	96	115	73	1293	1.122	1.260	3.40	16
18.	Needs for more workforce	16	60	54	134	116	1414	1.176	1.384	3.72	9
19.	Economic uncertainty	26	36	51	138	129	1448	1.198	1.436	3.81	3
20.	Mindset of the employee	8	38	75	115	144	1489	1.078	1.162	3.92	1

Using a Likert scale, survey respondents evaluated the perceived challenges that businesses face, and the results are presented in a thorough overview in table. 2 With the highest mean scores of 3.92 and 3.89, respectively, the results show that concerns like "Mindset of the employee" and "Limited financial resources" are among the most important followed by the other challenges. This shows that there is broad agreement regarding the significance of financial management and employee attitudes for the major challenges of adopting Strategic entrepreneurship. On the other hand, as demonstrated by the lowest mean scores, topics like "Sustainability / Environmental Impact" and "Changing Consumer Preferences and Trends" are viewed as less important. Responses vary widely, especially when it comes to remarks about network access and technological adaptability. This indicates that perspectives might vary greatly depending on the individual organizational or industry situation.

Table 3: Reliability Statistics

Case Processing Summary				**Reliability Statistics**	
		N	%	Cronbach's Alpha	No. of Items
Cases	Valid	380	100	.881	20
	Excluded	0	0		
	Total	380	100		

a. List wise deletion based on all variables in the procedure

The strength of the 20-item survey instrument employed in the study, which gathered responses from 380 cases, is shown by the reliability statistics displayed in Table 3. The study has a Cronbach's alpha coefficient of.881, indicating a good level of internal consistency, suggesting that the items are assessing the intended constructs or variables. This implies that the survey tool is trustworthy and dependable for evaluating the relevant components that are being addressed. The fact that all 380 legitimate cases were included in the analysis without any exceptions further confirms the accuracy of the data processing procedure. All things considered, these results give rise to confidence regarding the validity and reliability of the survey data, offering a strong basis upon which to draw relevant conclusions and guide decision-making procedures.

Kruskal – Wallis Test

For Testing the Hypothesis

To determine if there are statistically significant differences between two or more groups based on a scale or continuous outcome variable, a non-parametric statistical method known as the Kruskal-Wallis test is employed. When the data don't match the normalcy assumptions, it's a substitute for the one-way ANOVA (62). In order to ascertain whether groups differ significantly, this test ranks the data from each group and evaluates variations in these ranks. It is commonly employed in many domains of data analysis, particularly in cases where parametric assumptions are violated (63).

H0: There is no association between the challenges for adopting Strategic entrepreneurship and Age of the Respondents.

H1: There is an association between the challenges for adopting Strategic entrepreneurship and Age of the Respondents.

The Table 4 shows that valuable findings regarding the association between different challenges and age in the context of adopting strategic entrepreneurship were found in the Hypothesis Test Summary for challenges and Age, which was conducted using the Kruskal-Wallis Test. A significance level of 0.05 was chosen. 12 of the 20 challenges that were studied had p-values less than 0.05, indicating that there were statistically significant associations between the challenges in terms of age groups. A lack of skilled personnel, high levels of competition, insufficient technological infrastructure, market fluctuations, lack of strategic partnerships, balancing short-term profitability with long-term growth, inefficient internal communication, maintain innovation in products, impact of globalization on supply chains, risk management, sustainability/environmental impact, and changing consumer preferences and trends were some of these challenges. The null hypothesis was rejected (H1) for these Challenges, suggesting that there is an Association between the various Challenges and age groups. However, the null hypothesis was accepted (H1) for the remaining eight challenges, limited financial resources, lack of network access, Limited access to mentorship, Difficulty in new Technologies, difficulty in scaling operations, need for more workforce, and economic uncertainty indicating that there was no association between the various challenges across age groups. Overall, these results offer insightful information for strategic decision-making and point out contexts in which the challenges faced by small businesses to adopt strategic Entrepreneurship may be significantly influenced by age.

The Kruskal-Wallis test was used to look at the association between the gender of respondents in small businesses and the challenges they had when adopting strategic entrepreneurship.

H0: There is no association between the challenges for adopting Strategic entrepreneurship and Gender of the Respondents.

H1: There is an association between the challenges for adopting Strategic entrepreneurship and Gender of the Respondents.

Table 4: Hypothesis Test Summary for Challenges and Age

S.No	Challenges for Adopting Strategic Entrepreneurship	Test	Sig.	Decision
1.	Limited financial resources	Kruskal – Wallis Test	.070	Fail to reject the Null hypothesis

2.	Lack of skilled personnel	Kruskal – Wallis Test	.012	Rejected the Null Hypothesis
3.	High levels of competition	Kruskal – Wallis Test	.001	Rejected the Null Hypothesis
4.	Insufficient technological infrastructure	Kruskal – Wallis Test	.000	Rejected the Null Hypothesis
5.	Market fluctuations	Kruskal – Wallis Test	.031	Rejected the Null Hypothesis
6.	Lack of access to networks	Kruskal – Wallis Test	.061	Fail to reject the Null hypothesis
7.	Lack of strategic partnerships	Kruskal – Wallis Test	.000	Rejected the Null Hypothesis
8.	Balancing short-term profitability with long-term growth	Kruskal – Wallis Test	.001	Rejected the Null Hypothesis
9.	Inefficient internal communication	Kruskal – Wallis Test	.000	Rejected the Null Hypothesis
10.	Limited access to mentorship	Kruskal – Wallis Test	.156	Fail to reject the Null hypothesis
11.	Maintain innovation in product	Kruskal – Wallis Test	.001	Rejected the Null Hypothesis
12.	Impact of globalization on supply chains	Kruskal – Wallis Test	.019	Rejected the Null Hypothesis
13.	Difficulty in new Technologies	Kruskal – Wallis Test	.205	Fail to reject the Null hypothesis
14.	Risk management	Kruskal – Wallis Test	.000	Rejected the Null Hypothesis
15.	Sustainability / Environmental impact	Kruskal – Wallis Test	.000	Rejected the Null Hypothesis
16.	Changing Consumer Preferences and trends	Kruskal – Wallis Test	.011	Rejected the Null Hypothesis
17.	Difficulty in scaling operations	Kruskal – Wallis Test	.801	Fail to reject the Null hypothesis
18.	Needs for more workforce	Kruskal – Wallis Test	.140	Fail to reject the Null hypothesis
19.	Economic uncertainty	Kruskal – Wallis Test	.294	Fail to reject the Null hypothesis
20.	Mindset of the employee	Kruskal – Wallis Test	.724	Fail to reject the Null hypothesis

Asymptotic significances are displayed. The significance level is 0.5

Table 5: Hypothesis Test Summary for Challenges and Gender

S.No	Challenges for Adopting Strategic Entrepreneurship	Test	Sig.	Decision
1.	Limited financial resources	Kruskal – Wallis Test	.136	Fail to reject the Null hypothesis
2.	Lack of skilled personnel	Kruskal – Wallis Test	.129	Fail to reject the Null hypothesis
3.	High levels of competition	Kruskal – Wallis Test	.407	Fail to reject the Null hypothesis
4.	Insufficient technological infrastructure	Kruskal – Wallis Test	.091	Fail to reject the Null hypothesis
5.	Market fluctuations	Kruskal – Wallis Test	.091	Fail to reject the Null hypothesis
6.	Lack of access to networks	Kruskal – Wallis Test	.166	Fail to reject the Null hypothesis

7.	Lack of strategic partnerships	Kruskal – Wallis Test	.626	Fail to reject the Null hypothesis
8.	Balancing short-term profitability with long-term growth	Kruskal – Wallis Test	.002	Rejected the Null Hypothesis
9.	Inefficient internal communication	Kruskal – Wallis Test	.012	Rejected the Null Hypothesis
10.	Limited access to mentorship	Kruskal – Wallis Test	.816	Fail to reject the Null hypothesis
11.	Maintain innovation in product	Kruskal – Wallis Test	.373	Fail to reject the Null hypothesis
12.	Impact of globalization on supply chains	Kruskal – Wallis Test	.857	Fail to reject the Null hypothesis
13.	Difficulty in new Technologies	Kruskal – Wallis Test	.445	Fail to reject the Null hypothesis
14.	Risk management	Kruskal – Wallis Test	.386	Fail to reject the Null hypothesis
15.	Sustainability / Environmental impact	Kruskal – Wallis Test	.062	Fail to reject the Null hypothesis
16.	Changing Consumer Preferences and trends	Kruskal – Wallis Test	.021	Rejected the Null Hypothesis
17.	Difficulty in scaling operations	Kruskal – Wallis Test	.525	Fail to reject the Null hypothesis
18.	Needs for more workforce	Kruskal – Wallis Test	.002	Rejected the Null Hypothesis
19.	Economic uncertainty	Kruskal – Wallis Test	.063	Fail to reject the Null hypothesis
20.	Mindset of the employee	Kruskal – Wallis Test	.846	Fail to reject the Null hypothesis

Asymptotic significances are displayed. The significance level is 0.5

The findings of the Kruskal-Wallis tests, which were carried out to look into the association between respondents' gender in small businesses and the challenges that they face when adopting strategic entrepreneurship, are intriguing. Of the 20 challenges that were analyzed, p-values less than the significance level of 0.05 indicated that only four challenges had statistically significant variations across gender groups. "Balancing short-term profitability with long-term growth," "Changing consumer preferences and trends," "Inefficient internal communication," and "Needs for more workforce" are some of these challenges. The null hypothesis was rejected (H1) for these challenges, suggesting that there are notable variations in perceptions among various gender groups. On the other hand, for the remaining 16 challenges, the null hypothesis was accepted (H0), indicating that there were no Associations between these challenges viewed by different gender groups.

The Kruskal-Wallis test was used to look at the association between the Educational Qualification of respondents in small businesses and the challenges they had when adopting Strategic Entrepreneurship.

H0: There is no association between the challenges for adopting Strategic entrepreneurship and Educational Qualification of the Respondents.

H1: There is an association between the challenges for adopting Strategic entrepreneurship and Educational Qualification of the Respondents.

Table 6: Hypothesis Test Summary for Challenges and Educational Qualification

S.No	Challenges for Adopting Strategic Entrepreneurship	Test	Sig.	Decision
1.	Limited financial resources	Kruskal – Wallis Test	.709	Fail to reject the Null hypothesis
2.	Lack of skilled personnel	Kruskal – Wallis Test	.052	Fail to reject the Null hypothesis

3.	High levels of competition	Kruskal – Wallis Test	.206	Fail to reject the Null hypothesis
4.	Insufficient technological infrastructure	Kruskal – Wallis Test	.047	Rejected the Null Hypothesis
5.	Market fluctuations	Kruskal – Wallis Test	.493	Fail to reject the Null hypothesis
6.	Lack of access to networks	Kruskal – Wallis Test	.626	Fail to reject the Null hypothesis
7.	Lack of strategic partnerships	Kruskal – Wallis Test	.094	Fail to reject the Null hypothesis
8.	Balancing short-term profitability with long-term growth	Kruskal – Wallis Test	.351	Fail to reject the Null hypothesis
9.	Inefficient internal communication	Kruskal – Wallis Test	.181	Fail to reject the Null hypothesis
10.	Limited access to mentorship	Kruskal – Wallis Test	.123	Fail to reject the Null hypothesis
11.	Maintain innovation in product	Kruskal – Wallis Test	.866	Fail to reject the Null hypothesis
12.	Impact of globalization on supply chains	Kruskal – Wallis Test	.003	Rejected the Null Hypothesis
13.	Difficulty in new Technologies	Kruskal – Wallis Test	.492	Fail to reject the Null hypothesis
14.	Risk management	Kruskal – Wallis Test	.012	Rejected the Null Hypothesis
15.	Sustainability / Environmental impact	Kruskal – Wallis Test	.002	Rejected the Null Hypothesis
16.	Changing Consumer Preferences and trends	Kruskal – Wallis Test	.229	Fail to reject the Null hypothesis
17.	Difficulty in scaling operations	Kruskal – Wallis Test	.094	Fail to reject the Null hypothesis
18.	Needs for more workforce	Kruskal – Wallis Test	.116	Fail to reject the Null hypothesis
19.	Economic uncertainty	Kruskal – Wallis Test	.013	Rejected the Null Hypothesis
20.	Mindset of the employee	Kruskal – Wallis Test	.001	Rejected the Null Hypothesis

Asymptotic significances are displayed. The significance level is 0.5

The Table 6 shows that valuable findings regarding the association between different challenges and Educational Qualification in the context of adopting strategic entrepreneurship were found in the Hypothesis Test Summary for challenges and Educational qualification, which was conducted using the Kruskal-Wallis Test. A significance level of 0.05 was chosen. 6 of the 20 challenges that were studied had p-values less than 0.05, indicating that there were statistically significant associations between the challenges in terms of Educational Qualification. Insufficient technological infrastructure, Impact of globalization on supply chains, Risk management, Sustainability / Environmental impact, Economic uncertainty, and Mindset of the employee were some of these challenges. The null hypothesis was rejected (H1) for these Challenges, suggesting that there is an Association between the various Challenges and age groups. However, the null hypothesis was accepted (H1) for the remaining 14 challenges, limited financial resources, lack of skilled personnel, high levels of competition, market fluctuations, lack of strategic partnerships, balancing short-term profitability with long-term growth, inefficient internal communication, maintain innovation in products, changing consumer preferences and trends, lack of network access, Limited access to mentorship, Difficulty in new Technologies, difficulty in scaling operations, need for more workforce, indicating that there was no association between the various challenges

across age groups. Overall, these results offer insightful information for strategic decision-making and point out contexts in which the challenges faced by small businesses to adopt strategic Entrepreneurship may be significantly influenced by age.

Discussion

The respondents' demographic profile reveals significant aspects of the small-business landscape. Middle-aged people, in particular those between the ages of 36 and 45, predominate, showing that they actively participate in ownership. There is clear gender gap, with men making up the majority. Many have worked in the business for a long time, especially for more than nine years. The main industry is retail, which is followed by manufacturing and services. The majorities are married, have graduate-level education, and have moderate earnings. Sole proprietorship businesses are common. The significance of innovation and adaptation is shown by the frequent evaluation and revision of business strategies. Challenges related to limited financial resources and employee mindset rank the highest in mean score for the weighted score followed by the other challenges. On the other hand, challenges such as sustainability/environmental impact and changing consumer preferences are scored the least and rank in weighted score. The high Cronbach's alpha coefficient (0.881) demonstrates the internal consistency and reliability of the survey instrument used in the study. The Kruskal – Wallis test examined the association between the various challenges for adopting strategic entrepreneurship and the demographic factors like Age, Gender, and Educational qualification of the Respondents. For Age groups shows that 12 out of 20 challenges reject the null hypothesis, indicating that age influences the challenges for adopting the strategic entrepreneurship. Similarly, Gender showed that 4 out of 20 challenges rejected the null hypothesis, highlighting that gender slightly influences the challenges. Followed by the Educational qualification shows that 6 out of 20 challenges rejected the null hypothesis, indicated that educational qualification also slightly influences the challenges for adopting the strategic entrepreneurship. Overall, this finding shows the importance of considering demographic profiles in understanding and addressing challenges in small business.

The Tamil Nadu government has implemented several schemes to help small businesses overcome various challenges. The Tamil Nadu Industrial Investment Corporation Limited (TIIC) provides financial assistance to small and medium enterprises (SMEs) for the purchase of land, machinery, and working capital, thereby addressing the critical need for financial resources. Additionally, the New Entrepreneur-Cum-Enterprise Development Scheme (NEEDS) supports first-generation entrepreneurs by offering capital subsidies, training, and mentorship, fostering a conducive environment for new business ventures. The Micro, Small, and Medium Enterprises Development Act (MSMED Act) aims to promote, develop, and enhance the competitiveness of micro, small, and medium enterprises, ensuring these businesses can thrive and compete effectively in the market. Moreover, the Tamil Nadu Small Industries Development Corporation (TANSIDCO) provides essential infrastructure support, such as industrial estates, sheds, and assistance in setting up small industrial units, which helps businesses overcome infrastructural challenges. The Unemployed Youth Employment Generation Programme (UYEGP) offers financial assistance to unemployed youth to start small enterprises, encouraging entrepreneurship and providing opportunities for economic participation. Additionally, Startup TN is an initiative to promote and nurture startups in Tamil Nadu by providing a platform for incubation, mentorship, and funding, thus supporting innovation and growth within the state's entrepreneurial ecosystem. These schemes collectively aim to mitigate the barriers faced by small businesses and promote a more robust and dynamic economic environment in Tamil Nadu.

Limitations and Future Directions

The size of the sample may limit the generalizability of the findings to the entirely small business group in the southern part of Tamil Nadu, regardless of the efforts taken to assure a representative sample. Although the Kruskal-Wallis test provided insightful results, it has many drawbacks, including sample size sensitivity and distributional assumptions. The study's exclusive emphasis on small businesses in the southern part of Tamil Nadu may have limited the findings' applicability to other areas or categories of businesses. Self-reporting by business owners was

the primary source of the data, which could have led to bias or inaccurate responses.

To improve our understanding and assistance for these businesses, future studies on strategic entrepreneurship in Tamil Nadu's small businesses should concentrate on a number of important topics. Government initiatives like TIIC, NEEDS, MSMED Act, TANSIDCO, UYEGP, and Startup TN can be improved and their influence can be better understood by conducting quantitative and qualitative studies of their efficacy. Sector-specific studies are important to address distinct difficulties and possibilities within industries such as manufacturing, agriculture, IT, and services. It is important to investigate the impact of technology adoption and digital transformation on business performance and strategic choices. To understand how small enterprises incorporate environmentally friendly operations and the results of government incentives, sustainability practices and green entrepreneurship need to be examined. Maintaining competitive advantages will become clearer when innovation and R&D efforts including partnerships with academic institutions are examined. To improve skill development, the efficacy of entrepreneurial education, training, and mentorship programs should be evaluated. To understand how cultural and social elements affect commercial operations, it is necessary to investigate the ways in which they influence entrepreneurship in Tamil Nadu. Studies should assess the impact that financial literacy plays in enhancing funding access, as well as financial inclusion programs and alternative financing mechanisms. Access to finance is still critical. Longitudinal studies that monitor a company's growth and survival over time can pinpoint the elements that influence a company's long-term success or downfall. Lastly, creating thorough frameworks and policy recommendations based on these findings will direct the growth of small businesses and encourage strategic entrepreneurship, which will eventually propel regional economic expansion.

Conclusion

This study delves into the intricate landscape of small businesses in Southern region of Tamil Nadu, offering valuable insights into the challenges they face in adopting strategic entrepreneurship. Through rigorous analysis, it becomes evident that the challenges like limited financial resources, market fluctuations, and lack of skilled personnel to these small businesses. This study's originality lies in its focused exploration of the unique challenges encountered by small businesses in a specific regional context, coupled with robust statistical analysis using the Kruskal-Wallis test. By comprehensively understanding the demographic profiles and associated challenges, policymakers and stakeholders can tailor interventions to better support these enterprises on their journey toward strategic entrepreneurship.

In essence, this research underscores the imperative of recognizing and addressing the diverse challenges faced by small businesses, thereby fostering an environment conducive to their growth and long-term sustainability. Through targeted efforts and strategic initiatives, we can empower these businesses to thrive, driving economic prosperity and innovation in Tamil Nadu's vibrant business landscape.

Abbreviation

Nil.

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Author Contributions

Mr. S. Sundar and Dr. M. Gurupandi contributed equally to the conceptualization, methodology, data analysis, and writing of this article.

Conflict of Interest

The authors declare no conflict of interest.

Ethics Approval

Not applicable.

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