

## Harnessing the Entrepreneurial Ecosystem for the Progression of a Conglomerate Business

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### Abstract

This study examines the relationship between conglomerate businesses and the entrepreneurial ecosystem, with particular attention to how multiple business ownership enhances entrepreneurial survival and success. This study investigates the supportive factors within the entrepreneurial ecosystem that enable diversified entrepreneurs to sustain and grow their businesses. While the researcher reviewed extensive literature on the startup ecosystem and the education ecosystem, only a limited number of studies were found to be directly related to the conglomerate ecosystem. This gap in the existing literature led the researcher to focus on understanding the relationship between the entrepreneurial ecosystem and diversification strategies. A quantitative pilot study was conducted using descriptive statistics, based on survey responses collected from 70 conglomerate entrepreneurs in Tirunelveli District, Tamil Nadu. Participants were identified through snowball sampling, with data analyzed for validity and tested using regression and correlation techniques. The findings reveal that market access, human capital, support systems and education and training play significant roles in promoting diversification and business sustainability. In contrast, entrepreneurial culture and regulatory frameworks showed weaker associations. The results highlight that entrepreneurial success is not solely dependent on individual effort but is reinforced by an enabling ecosystem that fosters resilience and growth. Policy implications emphasize the need for initiatives that improve market access, develop human capital and strengthen infrastructure. By connecting diversification strategies with ecosystem support, this research contributes to existing literature and provides practical insights for policymakers and business leaders in regional contexts.

**Keywords:** Conglomerate Business, Diversification, Entrepreneurial Ecosystem, Human Capital, Market Access.

### Introduction

Since entrepreneurship is so important to the modern economy, it is growing. It is now the main factor influencing a country's socioeconomic progress. Establishing an efficient entrepreneurial ecosystem is regarded as a crucial approach for regional economic development, as it facilitates the creation of circumstances that are conducive to the growth of sustainable companies. The prosperity of their companies and the entrepreneurial environment, in the eyes of entrepreneurs, are essential to creating laws that promote economic progress (1). The start-up ecosystem in India has unveiled many surprising facts, demonstrating that the measures taken by the Government of India have propelled Indian start-ups to become the third-largest start-up ecosystem globally, as declared in May 2023 (2). Amid a global economic crisis, fostering small-scale industries and innovation can be a pivotal strategy for driving economic growth, particularly in regions such as

Tamil Nadu. The Government of Tamil Nadu has introduced several policies and initiatives to support small-scale entrepreneurship, including financial assistance, subsidies, incentives and skill development programmes aimed at promoting sustainable economic growth (3). Small business entrepreneurs encounter numerous problems in today's competitive and changing business environment, which need for flexibility and smart thinking. Diversification is one important tactic that has been shown to be crucial in boosting small businesses' resilience and expansion. The goal of this useful manual is to provide small business owners with a road map and practical ideas for putting successful diversification methods into practice. Although small firms are the foundation of economies, they frequently face resource constraints and increased susceptibility to market volatility creativity (4). Effective ecosystems provide the necessary environment for businesses

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to develop and succeed. The study conducted in Tay Ninh City, Vietnam, with 200 SME and startup leaders highlights the critical role of learning and creativity within the startup ecosystem. Using SmartPLS 3.0 and PLS-SEM, the research demonstrates significant impacts of ecosystem factors on success drivers. The entrepreneurial ecosystem model integrates six key factors: Accessible Market, Workforce, Support System, Regulatory Framework, Education and Training and Cultural Support. These factors influence startup capabilities and strategic outcomes (5). It emphasized that a supportive entrepreneurial ecosystem, including access to resources, human capital and regulatory support, significantly enhances organizational learning.

### **Conglomerate Business**

Conglomerates or a multi-industry company (unrelated diversification), as a company which consists of businesses that does not have a relationship with each other (6). Regardless of the size or nature of the business, developing ties between a firm and its ecosystem is critical to achieving entrepreneurial success (7).

Diversification strategies are highly regarded in the corporate world for reducing investor risk and optimizing capital allocation, yet they often underestimate the complexity involved in execution. Various classifications of diversification strategies exist in the literature. Traditional classifications include horizontal, vertical, concentric and conglomerate diversification, while recent analyses categorize them into focused, related, or unrelated businesses (8).

### **Market Knowledge**

Accessing markets is crucial for both early-stage and growing companies. However, numerous obstacles hinder new market entry, such as geographical constraints, distribution network complexities, visibility challenges and difficulties in reaching key decision-makers. Support may come from suppliers, customers and industry or trade associations. Determine and evaluate possible target markets using market segmentation as a key tool. It is highly suggested for startups and expanding businesses to create and leverage fruitful ties with larger corporations (9).

H1: Conglomerate business (CB) and market knowledge (MKT) have a direct and beneficial relationship.

### **Entrepreneurial Culture**

Creating a culture that highly values entrepreneurship can be facilitated through strategic communication campaigns that showcase entrepreneurial business success, educational initiatives aimed at raising awareness and knowledge and the recognition of innovative achievements through awards (9). Culture constitutes a crucial intangible factor influencing entrepreneurial activities, shaping attitudes and behavioural norms within society (10).

H2: Conglomerate businesses (CB) and entrepreneurial culture (CUL) have a direct, favourable relationship

### **Support Systems**

A business mentor typically refers to a seasoned business professional who possesses empathy and operates independently from the business. They volunteer their time to offer guidance and serve as a sounding board over an agreed-upon period. Mentorship can be formally structured through programs offered by mentoring organizations or informally arranged between individuals. Advisors, on the other hand, usually work for government organisations or corporate consulting firms and charge for their business information. Expert guidance in domains like legal, accounting, auditing, taxation, IT, intellectual property and investment banking is provided by specialised professional service firms. Incubators, accelerators, peer networks of entrepreneurs and business bodies such as the Chamber of Commerce can also offer help to aspiring entrepreneurs (9).

H3: Conglomerate businesses (CB) and supporting systems (SUP) have a direct positive relationship.

### **Human Capital**

Human capital encompasses the collective knowledge, talents, skills and abilities of individuals that drive economic value creation within the workforce. Entrepreneurs have consistently ranked human capital among the top three essential components for fostering the growth of early-stage companies (9). Human capital plays a crucial role in shaping how entrepreneurs perceive and evaluate risk, as the human resources component forms the foundation of the overall capital framework (11).

H4: Conglomerate business (CB) and human capital (HUM) have a direct positive relationship.

### Regulatory Framework

Infrastructure and regulations are important factors that can help or hinder the launch and expansion of small enterprises. The World Bank assesses and reports on the ease of "doing business" in 189 countries annually, concentrating on 11 different areas of business regulation (12). This analysis provides rankings and in-depth insights that point out areas for development. It covers the cost and complexity of regulatory processes in addition to the efficacy of legislative frameworks. The entrepreneurial climate is greatly impacted by basic infrastructure, such as utilities and transportation, which are essential for business operations.

H5: Conglomerate businesses and the regulatory framework (FRA) have a direct and favourable relationship (CB)

### Education and Training

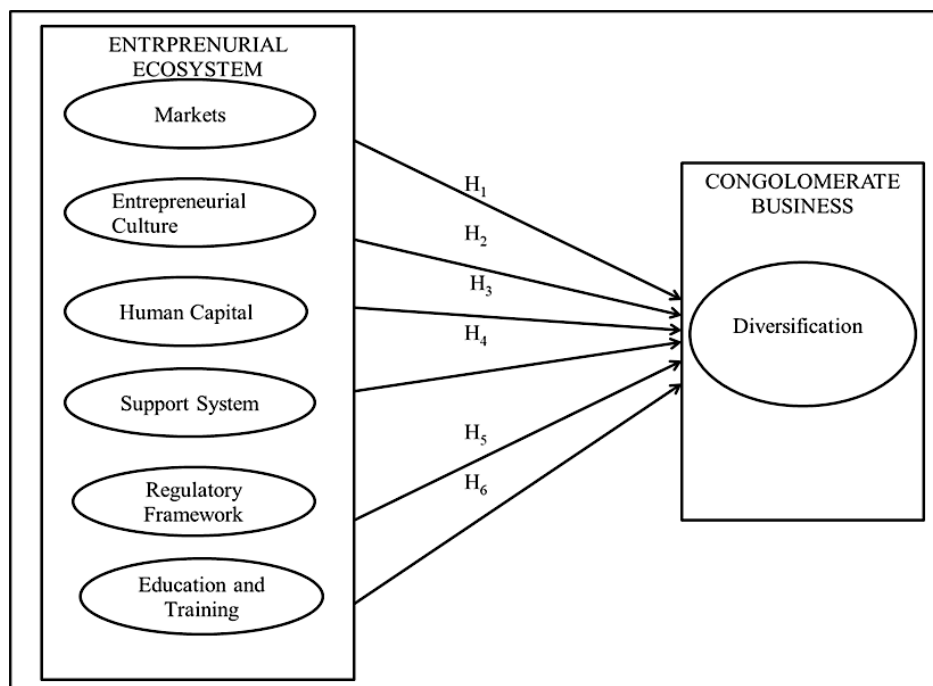
Giving the workforce the knowledge and abilities needed to function in an entrepreneurial economy is the main goal of the education and training system. To promote innovation, you need a workforce that is educated and trained in a variety of industry sectors. Industry professional associations and educational institutions

collaborate to identify the particular skill sets needed in each area. It is highly advised that official and informal education and training programs specifically designed for entrepreneurs be established (9).

H6: Conglomerate businesses and education and training (EDU) have a direct and good Relationship (CB)

### Research Gap

There is a clear lack of comprehensive research in the literature regarding the relationships between specific variables and creativity, learning and the success of small and medium-sized enterprises (SMEs), despite the abundance of studies on the entrepreneurial ecosystem and its correlation with related variables. More in-depth research is still needed, even if earlier studies have yielded insightful information. This disparity is pronounced in the district of Tirunelveli that scored the highest of 7 when all aspects of entrepreneurship have been compared and contrasted. In particular, not much research has been done on how the entrepreneurial ecosystem in Tirunelveli district sustains its conglomerate firms. This conceptual basis led to the development of the research framework represented in Figure 1.



**Figure 1:** Conceptual Framework of Entrepreneurial Ecosystem Factors Driving Business Diversification

Objectives of the study are to analyse the correlation between the entrepreneurial ecosystem and the success of conglomerate businesses in Tirunelveli District, TamilNadu.

Identify the key components of the entrepreneurial ecosystem that support conglomerate business success.

## Methodology

Because a prior researcher in Tirunelveli performed in-depth interviews to quantify the ecosystem, the quantitative approach was used in this study. In order to address the study's problem by identifying patterns or outlining the links between variables, the researcher's present goal is to quantify numerical values. There may be more support for the conclusions if the measurement scales' reliability is investigated. It is possible to test hypotheses and examine the relationship between variables by using statistical, empirical and numerical methods.

## Sampling and Data Collection

The total conglomerate businesses were unknown to the researcher. Few references were obtained

and interviews were conducted. Through these references, additional samples few members who could not be reached were contacted via email, while others were interviewed by telephone. In total, 70 responses were collected for this study

## Measurement of Variable

In order to reduce respondents' misunderstanding and inability to grasp the survey, the questions were written in both Tamil and English (13). A five-point Likert scale, ranging from 1 to 5, was used to gauge each stage, with 5 representing strongly disagree, disagree, agree and agree (14). Based on empirical data, conclusions were reached, ensuring the validity and objectivity of the results (15).

**Table 1:** Demographic Profile of the Respondents

Demographic Categories		Frequency	Percentage (%)
Gender	Male	48	68.57
	Female	22	31.43
Age	25 – 35	14	20.00
	36 – 45	25	35.71
	46 – 54	19	27.14
	55 – 64	10	14.29
	Above 65	2	2.86
Marital status	Married	57	81.43
	Unmarried	13	18.57
Working Experience	0 to 1 yrs	30	42.86
	2 to 3 yrs	21	30.00
	4 to 5 yrs	8	11.43
	6 to 7 yrs	7	10.00
	8 to 9 yrs	4	5.71
Education	HSC / Equivalent	28	40.00
	Graduate	31	44.29
	Post Graduate	10	14.29
	Any other	1	1.43
No. of business presently managing	Two	44	62.86
	Three	25	35.71
	Four	1	1.43
Generation of business	First	20	28.57
	Second	13	18.57
	Third	37	52.86

## Results

The demographic profile of respondents is presented in Table 1. The majority of respondents are male [68.57%] and fall within the age range of 36–45 years [35.71%]. Most are married [81.43%] and have 0 to 1 year of working experience [42.86%]. In terms of education, the majority are graduates [44.29%]. Most respondents manage

two businesses [62.86%] and belong to the third generation of their family business [52.86%]. This demographic profile highlights a predominantly middle-aged, married and experienced group with a solid educational background and significant involvement in family businesses.

**Table 2:** Reliability Statistics for the Study Constructs

Constructs	No of Items	Cronbach's Alpha
Market Knowledge	13	0.795
Entrepreneurial Culture	10	0.855
Human Capital	10	0.801
Support System	8	0.839
Regulatory Framework	7	0.830
Education and Training	8	0.811
Diversification	6	0.786

## Measurement Model

A construct is considered credible if the Alpha ( $\alpha$ ) value is more than 0.70 (15). Cronbach's Alpha was used to measure construct dependability (16). The reliability for the study constructs shown in Table 2 indicates that the reliability of the MKT, consisting of thirteen items [ $\alpha = 0.795$ ], was confirmed by the findings. Similarly, the CUL scale, with ten items [ $\alpha = 0.855$ ], was found to be reliable. This high Alpha value suggests that the items are very consistent in measuring the construct of Entrepreneurial Culture (14). HUM, with ten items [ $\alpha = 0.801$ ], is also reliable and the Support System

scale, with eight items [ $\alpha = 0.839$ ], is found to be reliable. This high Alpha value indicates strong internal consistency among the items measuring the Support System construct (14). FRA, with seven items [ $\alpha = 0.830$ ], is found to be reliable. This indicates that the items consistently measure the construct of Regulatory Framework. EDU, with eight items [ $\alpha = 0.811$ ], is found to be reliable. This indicates that the items are consistent in measuring the construct of Education and Training. Finally, the DIV, with six items [ $\alpha = 0.786$ ], is found to be reliable. This indicates that the items are consistently measuring the construct of Diversification (15).

**Table 3:** Correlation Matrix of the Study Dimensions

	MARK	CUL	HUM	SUP	FRA	EDU	DIV
MARK	1						
CUL	.260*	1					
HUM	.558**	.440**	1				
SUP	.424**	.012	.536**	1			
FRA	.573**	.217	.286*	.234	1		
EDU	.606**	.242*	.470**	.298*	.579**	1	
DIV	.686**	.207	.695**	.608**	.434**	.594**	1

\*=Correlation is significant at the 0.05 level (2-tailed); \*\*= Correlation is significant at the 0.01 level (2-tailed)

## Correlation Analysis

According to the Pearson product correlation shown in Table 3, there is a statistically significant and substantially positive association between MARK and DIV [ $r = 0.686$ ,  $p < 0.001$ ]. This suggests that diversification tends to expand along with an increase in market knowledge. Although it is not as strong, there is a positive association between CUL and DIV [ $r = 0.207$ ,  $p > 0.05$ ]. This implies a weak correlation between diversification and entrepreneurial culture, although it is not statistically significant at the accepted significance level. There is a significant positive association between HUM and DIV [ $r = 0.695$ ,  $p < 0.001$ ]. This suggests a strong correlation between increased diversification and better levels of human capital. There is also a significant positive association between SUP and DIV [ $r = 0.608$ ,  $p < 0.001$ ]. This implies that greater diversification is linked to a stronger support system. FRA and DIV have a moderate positive correlation [ $r = 0.434$ ,  $p < 0.001$ ]. This indicates that a favourable Regulatory Framework is associated with higher levels of Diversification. EDU and DIV have a strong positive correlation [ $r = 0.594$ ,  $p < 0.001$ ]. This suggests that higher levels of Education and training correlate with increased diversification.

Tests the hypothesis about whether Market Knowledge (MKT) has a major influence on Diversification (DIV). To test hypothesis H1, the dependent variable DIV was regressed on the predictor variable MKT. MKT was found to have a significant influence on DIV [ $b = 0.292$ ,  $p < 0.05$ ], as evidenced by its significant prediction of DIV [ $F(1, 63) = 23.184$ ,  $p < 0.05$ ]. The outcomes unequivocally show that MKT has a beneficial impact on DIV. Moreover, the  $R^2 = 0.276$  indicates that the model explains 27.6% of the variance in DIV. The hypothesis tested whether Culture (CUL) significantly impacts Diversification (DIV). The dependent variable DIV was regressed on the predictor variable CUL to test hypothesis H2. CUL did not significantly predict DIV,  $F[1, 63] = 23.184$ ,  $p > 0.05$  indicating that CUL does not have a significant role in shaping DIV [ $b = -0.096$ ,  $p < .05$ ]. The hypothesis tested whether Human Capital (HUM) significantly impacts Diversification (DIV). The dependent variable DIV was regressed on the predictor variable HUM to test hypothesis H3. HUM significantly predicted DIV,  $F[1, 63] = 23.184$ ,  $p < .05$ , indicating that HUM plays a significant role in shaping DIV [ $b = 0.358$ ,  $p < .05$ ]. The results clearly demonstrate the positive effect of HUM on DIV. Moreover, the  $R^2 = 0.341$  indicates that the model explains 34.1% of the variance in DIV.

**Table 4:** Results of Hypothesis Testing for the Direct Effects Model

Hypothesis	Direct Effects Model	Beta coefficient	F	T	p-value	Hypotheses Supported
H1	MKT → DIV	.292	23.184	2.688	.009	Supported
H2	CUL → DIV	-.096	23.184	-.851	.398	Rejected
H3	HUM → DIV	.358	23.184	3.200	.002	Supported
H4	SUP → DIV	.216	23.184	2.742	.008	Supported
H5	FRA → DIV	.020	23.184	.213	.832	Rejected
H6	EDU → DIV	.230	23.184	2.020	.048	Supported

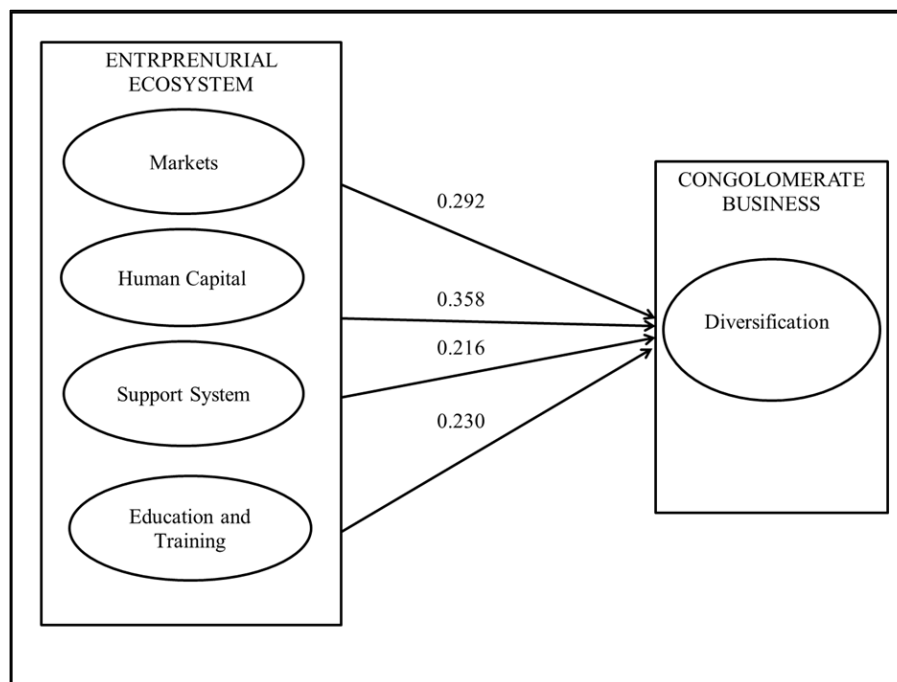
### Regression Analysis

Table 4 shows that the path hypothesis analysis tests whether Market Knowledge (MKT) significantly impacts Diversification (DIV). The dependent variable DIV was regressed on predicting variable MKT to test hypothesis H1. MKT significantly predicted DIV,  $F[1, 63] = 23.184$ ,  $p < 0.05$ , indicating that MKT can play a significant role in shaping DIV [ $b = 0.292$ ,  $p < 0.05$ ]. The results clearly demonstrate the positive effect of MKT on DIV. Moreover, the  $R^2 = 0.276$  indicates that the model explains 27.6% of the variance in DIV. The hypothesis tested whether Culture (CUL) significantly impacts Diversification (DIV). The dependent variable DIV was regressed on the predictor variable CUL to test hypothesis H2. CUL did not significantly predict DIV,  $F[1, 63] = 23.184$ ,  $p > 0.05$  indicating that CUL does not have a significant role in shaping DIV [ $b = -0.096$ ,  $p > 0.05$ ]. The results suggest that there is no significant effect of CUL on DIV. the  $R^2 = 0.071$  indicates that the model explains only 7.1% of the variance in DIV. The hypothesis tested whether Human Capital (HUM) significantly impacts Diversification (DIV). The dependent variable DIV was regressed on the predictor variable HUM to test hypothesis H3. HUM significantly predicted DIV,  $F[1, 63] = 23.184$ ,  $p < .05$ , indicating that HUM plays a significant role in shaping DIV [ $b = 0.358$ ,  $p < .05$ ]. The results clearly demonstrate the positive

effect of HUM on DIV. Moreover, the  $R^2 = 0.341$  indicates that the model explains 34.1% of the variance in DIV.

The impact of Support System (SUP) on Diversification (DIV) was hypothesised to be evaluated. Figure 2: To test hypothesis H4, the dependent variable DIV was regressed on the predictor variable SUP. SUP is important in shaping DIV [ $b = 0.216$ ,  $p < .05$ ], as SUP strongly predicted DIV,  $F[1, 63] = 23.184$ ,  $p < .05$ . The findings show that SUP has a favourable impact on DIV. Furthermore, the model explains 24.4% of the variance in DIV, according to the  $R^2 = 0.244$ .

The hypothesis examined the potential major impact of the Regulatory Framework (FRA) on Diversification (DIV). To test hypothesis H5, the dependent variable DIV was regressed on the predictor variable FRA. FRA did not significantly influence DIV [ $b = 0.020$ ,  $p > 0.05$ ], as FRA did not significantly predict DIV [ $F[1, 63] = 23.184$ ,  $p > 0.05$ ]. The findings imply that FRA has no discernible impact on DIV. Furthermore, the  $R^2 = 0.020$  shows that only 2.0% of the variance in DIV is explained by the model. The hypothesis investigated the potential major impact of Education (EDU) on Diversification (DIV). To test hypothesis H6, the dependent variable DIV was regressed on the predictor variable EDU.  $F[1, 63] = 23.184$ ,  $p < .05$  showed that EDU strongly predicted DIV, suggesting that EDU can have a substantial influence on DIV [ $b = 0.230$ ].



**Figure 2:** Result of Research Framework Entrepreneurial Ecosystem Factors Influencing Business Diversification

## Discussion

The results of the study support Hypotheses 1, 3, 4 and 6, demonstrating a strong relationship between entrepreneurial ecosystem dimensions and business diversification factors. While four hypotheses were empirically supported, two were rejected and two produced conflicting results, indicating that ecosystem components generate heterogeneous effects on firm behavior. Overall, the empirical evidence strongly confirms the relationship between the entrepreneurial ecosystem and firm diversification. Although most ecosystem components exhibit positive effects, some vary according to country-specific contexts and structural conditions, thereby corroborating earlier findings (17). The regression results for the proposed research model are presented in Figure 2. This holistic analysis of conglomerate firms provides deeper insight into the drivers of their growth by illustrating how firms interact within the broader conglomerate ecosystem. The findings highlight the critical role of open and accessible markets, education and training initiatives and entrepreneurial potential in the form of human capital in shaping diversification strategies. From a policy perspective, the study underscores the need for policymakers to strengthen entrepreneurial education, training programs and information accessibility to support effective diversification. By

emphasizing these ecosystem elements, the study contributes meaningfully to the entrepreneurship literature, particularly by enhancing understanding of how ecosystem dynamics influence diversification decisions in conglomerate firms.

The significance of ecosystem dynamics in the context of entrepreneurship is shown by these observations. Navigating diversification techniques is a journey towards growth, resilience and long-term success for small business owners. With its practical guidance and specific methods, this book acts as a navigational aid for entrepreneurs navigating the tricky terrain of diversification. Small business owners get the information necessary to make wise decisions that build their companies, from understanding market dynamics and strategic planning to allocating resources and adjusting to the digital revolution. When diversification is used strategically, it can be an effective tool for risk management, opportunity discovery and competitive advantage enhancement. Successful companies who have adopted diversity show not only that it is feasible, but also how important it is in the fast-paced marketplaces of today.

The human capital highlights the critical importance of individual-level attributes within the entrepreneurial ecosystem. Scholars widely agree that human capital significantly influences

entrepreneurial success, growth and long-term sustainability. Empirical studies show that entrepreneurs' knowledge, skills and experience play a decisive role in fostering sustained business growth (18, 19) and also shape outcomes related to entrepreneurial failure and recovery (20). These findings collectively reinforce the view that human capital is a central determinant of entrepreneurial performance across different stages of the venture lifecycle. Underdeveloped are the structure and entrepreneurial culture that support these initiatives. Enhancing entrepreneurship in society requires highly influential human capital, like entrepreneurial talent, especially when it comes to economic, educational and other business diversification factors. Through the connections made by supportive organisations, prospective entrepreneurs and successful founders form a dense network of conglomerate enterprises. In addition, events like competitions, discussion shows and seminars are planned to draw in and support a new generation of business owners. In order to support creative conglomerate firms in the community, the government is essential in developing technology transfer rules and intellectual property rights. An increasing emphasis on a more multifunctional and multidisciplinary approach is the current trend in national innovation policy structures (21). Overall, the conglomerate ecosystem in Tirunelveli City is good, but the culture and framework need improvement. Most of the supporting systems inherently support cultural improvement. The government should focus on regulatory frameworks, legal and law facilities and benefits provided for conglomerate businesses. For instance, the Tamil Nadu government can leverage these insights to enhance its existing policies and introduce new initiatives that directly support conglomerate entrepreneurs. A real example is the Tamil Nadu government's "Startup and Innovation Policy 2018-2023," which aims to establish 5000 startups and generate 1 million jobs by providing financial assistance, infrastructure support and mentorship programs (22, 23). By focusing on conglomerate businesses, policymakers can tailor these programs to provide more robust support to entrepreneurs managing multiple ventures, ensuring they have the resources and guidance needed to succeed in a competitive market. Entrepreneurs can use the findings to refine their

business strategies. For example, a conglomerate entrepreneur in Tirunelveli might diversify their operations based on identified market opportunities and available support systems. An entrepreneur running a chain of retail stores could branch out into online sales and home delivery services by leveraging digital marketing skills acquired through government-sponsored training programs. This diversification not only mitigates risks but also taps into new revenue streams, thereby enhancing business resilience and growth. Stakeholders, including banks, educational institutions and industry associations, can play a pivotal role in fostering a conducive environment for conglomerate businesses. For example, HDFC Bank's "SmartUp" program offers customized banking solutions, mentorship and networking opportunities for start-ups (24). This program could be expanded to specifically cater to conglomerate entrepreneurs, providing tailored financial products and advisory services. Similarly, educational institutions like the Indian Institute of Technology Madras (IITM) can offer specialized courses and incubation programs focused on managing multiple businesses, thereby equipping entrepreneurs with the skills and knowledge required to navigate the complexities of conglomerate operations. Ultimately, this research aims to contribute to the sustainable growth of the entrepreneurial ecosystem in Tirunelveli District, promoting economic development and resilience in the region. The survey form was used because it helps the researcher to contact a wide range of individuals and gather data on a range of questions in a short period (25). The small sample size and potential biases in self-reported data are two of the study's shortcomings. Nonetheless, it offers insightful information on how the entrepreneurial ecosystem supports conglomerate businesses.

## Conclusion

The study aims to identify the key determinants of the entrepreneurial ecosystem and conglomerate businesses in the context of Tirunelveli City. The findings provide empirical evidence supporting many previous studies by enhancing the understanding of how the ecosystem impacts entrepreneurs involved in conglomerates. According to the results, the following elements significantly influence market knowledge, human capital, support systems, education and training in

conglomerate businesses. However, the regulatory framework and culture do not support diversification in the study areas. The identified negative relationship suggests the need to create a robust conglomerate ecosystem focused on legal policies, laws and culture, which will foster aspiring entrepreneurs and promote greater business diversification.

While this study provides a foundational understanding of the entrepreneurial ecosystem supporting conglomerate businesses in Tirunelveli District, ongoing research efforts are essential to explore the conglomerate ecosystem and mediating variables, such as innovation, to better support conglomerate businesses. Additionally, future studies should delve into the cultural aspects influencing diversification in businesses.

### Abbreviations

CB: Conglomerate Business, CUL: Entrepreneurial Culture, DIV: Diversification, EDU: Education and Training, FRA: Regulatory Framework, HUM: Human Capital, MKT: Market Knowledge, SME: Small and Medium Enterprises, SUP: Support System, WEF: World Economic Forum.

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### Author Contributions

Soniya R: conceptualisation, data collection, analysis, model design, drafting of the manuscript, testing, validation, review, Magesh Kuttalam G: supervision, methodological guidance, conceptual support, theoretical insights, Prem Shankari G: guidance, manuscript review, final approval of the manuscript.

### Conflict of Interest

The author(s) declare that there are no conflicts of interest associated with this research work. No financial, personal, or professional relationships have influenced the findings, interpretations, or conclusions presented in this study.

### Data Availability

The data supporting the findings of this study were collected through a structured questionnaire and are available from the corresponding author upon reasonable request, subject to confidentiality of respondents.

### Declaration of Artificial Intelligence (AI) Assistance

AI assistance was used solely for language improvement and paraphrasing. All references and citations are based on original sources.

### Ethics Approval

This study was conducted in strict accordance with ethical research guidelines and principles. All procedures followed were in line with established academic and institutional ethical standards.

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