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# IMPACT OF COVID-19 ON ENTREPRENEURSHIP

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## INTRODUCTION

In this adverse situation of covid-19 breakout; where every economy is facing many glitches, entrepreneurs are struggling with many consequences in terms of new policies, quick adjustments, lack of transportation facilities and many other problems; that economy can grow at faster rate where there are more and more entrepreneurs as it magnifies the financial capabilities of the country and offers solutions for numerous economic glitches; The Engine of Economic Growth (Holcombe, 1998). The situation of our country has amplified so far in terms of entrepreneurship. India got the ranking of 68 out of 137 countries as per Global Entrepreneurship Index (GEI) of 2018; India was on 73 rank in year 2012 (Hima, 2018). As per Global innovation index 2019 which was released by Piyush Goyal, commerce and industry minister in India; country jumped from 57<sup>th</sup> ranking to 52<sup>nd</sup> position in current year 2019 (The Economic Times, n.d.). India's ranking as per MIWE (Mastercard Index for women entrepreneurs) is 52 out of 57 nations beating just 5 countries i.e. Iran, Saudi Arabia, Algeria, Egypt and Bangladesh. Now inspite of moving forward, we are lagging behind again nowadays due to this pandemic. Now entrepreneurs will have to come forward with a unique idea which is the need of an hour. All the plans prepared earlier may proved irrelevant or outdated now. Entrepreneurs need to rethink for cutting down the non-essential expenses.

Everyone is facing enormous difficulties due to worldwide Covid-19 pandemic. It's not only health crisis which are affecting millions and billions of people but the impact of this calamity can be seen in terms of downfall of entire economy. IMF also has revised its global GDP growth estimates and certainly entrepreneurs will have to face the new realities. Although government is supporting all the entrepreneurs in many ways but still they are battling with lots of challenges. The Covid-19 outbreak endures to control the fashion we live, we work, and we do business. Some segments have countersigned a surge in demand, while others appear to be struggling. There is no doubt that all the entrepreneurs will have to make new action plan as the scenario is not going to be same in which they are running their business in current situation.

## REVIEW OF LITERATURE

### *Entrepreneurship*

Entrepreneurship is the capability of an individual to modernize and to transmute an idea into action and achievement. This term defines a set of procedure that is responsible for fluctuations in economic structure by the way of grabbing opportunities and beholding onward

actions (Miller, 1983; Covin & Slevin, 1989; Lumpkin & Dess, 1996). This encompasses capacity to swallow risk, self-assurance and aptitude to encounter unexpected circumstances.

Factors like necessary skills, finance, hard work, consultation, political risks, competition, social risks, physical risks and other motivational factors leave an impact on entrepreneurial activities (Hisrich & Peters, 1989, Lundstrom & Stevenson, 2005). Entrepreneurship leads to economic development (Anokhin et al., 2008). That economy grow at faster rate where there are more and more entrepreneurs; The Engine of Economic Growth (Holcombe, 1998).

## **COVID-19**

The Novel Coronavirus (Covid-19) has been spread globally that was initially originated from Wuhan, China in December 2019. World Health Organization (WHO) has declared this as a pandemic which recorded highest infectivity in comparison to other viruses (WHO, 2020; Qiu et al., 2017; Liu et al., 2020; Peeri, et al., 2020). For the outbreak of this deadly disease various restrictions are being imposed by WHO and by leaders of several countries itself (Chinazzi, et al., 2020; Smith & Freedman, 2020; Sohrabi, et al., 2020). This crisis affects not only one organization of one country, but affects whole economies globally. This crisis is considered as sudden threat among three types of threats i.e. gradual, periodic and sudden threats (Booth, 1993).

## **COVID-19 AND ENTREPRENEURSHIP**

Numerous researches proved the significance of entrepreneurship during economic emergencies; countries facing nowadays. In this state of affairs; to dampen the monetary destitution; factors such as innovativeness, self-efficacy, risk-taking, proactiveness, autonomy can prove entrepreneurship as a means of transitioning from survival to thriving (Obschonka et al., 2016; Devece et al., 2016; Bullough et al., 2013).

Two different thoughts are prevailing among researchers for the impact of covid-19 on entrepreneurship. One thought is negative and one is positive. The researchers with positive thoughts explicated the prospects occur in this pandemic situation by the way of digital finance, online education, emergency management, technical support, supply chain and strengthening of communication platforms (Isenberg et al., 2020). The adverse effect of this situation can also be seen by the means of flattening of economy; quitting of jobs by the labourers and closure of various industries (cook, 2015).

## **RESEARCH METHODOLOGY**

The method used for data collection adopted is self structured questionnaire which has covered all the parameters related to objectives. The scope of study is limited to only entrepreneurs, so herein only entrepreneurs of Ambala district are the respondents. In total, 45 entrepreneurs responded to a survey measuring the impact of this pandemic on their businesses.

## OBJECTIVE

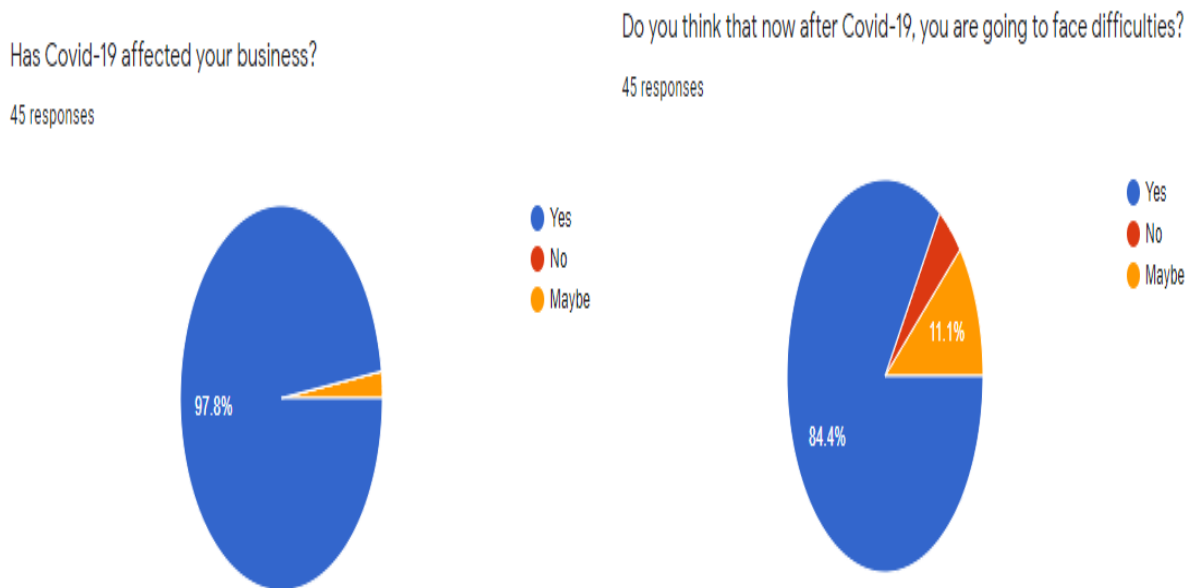
The objective of this research was to judge the impact of covid-19 on entrepreneurship, to identify what problems can happen to the entrepreneurs in post covid era, to study the least affected and most affected businesses due to Covid-19 and to assess how long covid impacts on the businesses will.

## SAMPLING

This is a quantitative study. The primary data were derived from the 45 entrepreneurs of Ambala District. The sampling method used was convenience sampling and simple percentage method was used to analyze the results.

## RESULTS AND DISCUSSION

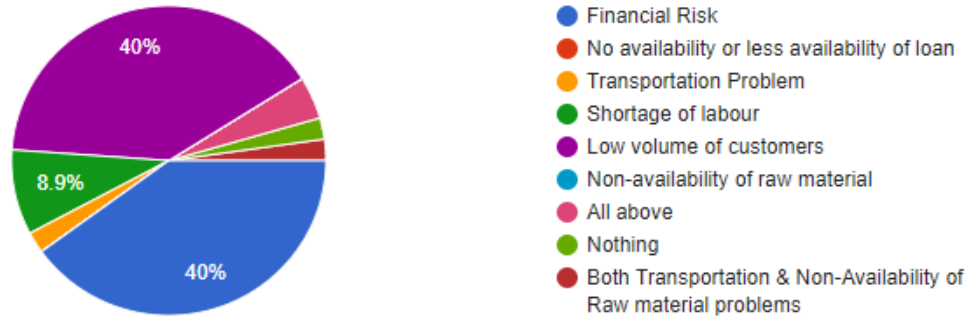
When questions were asked from entrepreneurs about the difficulties faced by them in this pandemic situation, following responses were found out:



97.8% of respondents accepted that their businesses have been affected highly due to covid-19 and 84.4% of respondents also agree on the fact that they are going to face difficulties in coming years also.

What difficulties you may have to face in future?

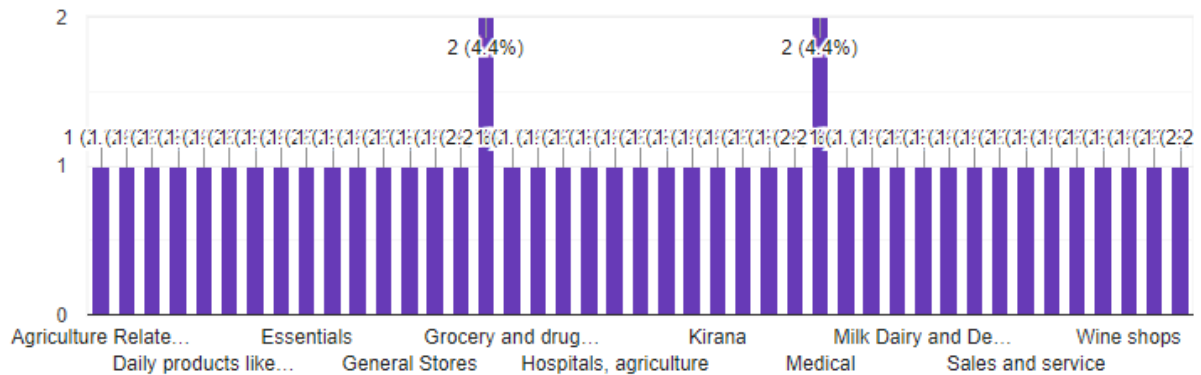
45 responses



When question is asked about what type of difficulties they are going to face in coming years; 40% were afraid of financial risks, another 40% were worried for low volume of customers, 8.9% were anxious for labours and rest showed their concern for transportation problem, non-availability of loans and raw materials.

According to you, which business is least affected by covid-19?

45 responses



When the opinion about least affected businesses were asked, maximum agree that medical and grocery businesses are least affected businesses in this time period as these are essential products.

According to you, which business is most affected by covid-19?

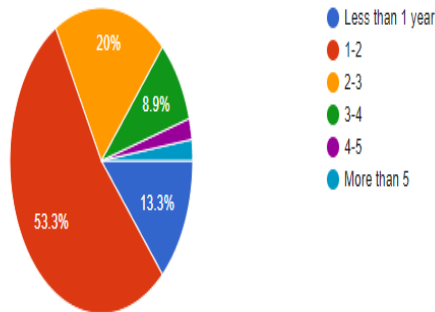
45 responses



And for most affected business, they responded for big manufacturers, businesses selling luxury products, construction industry, tourism, restaurants and travelling industry.

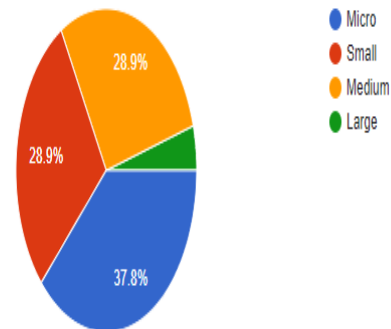
How long do you think it will take to get the business back in the same position?

45 responses



According to you, Which type of entrepreneurs are facing maximum problems?

45 responses



When question is asked about which type of entrepreneurs are facing maximum problems then only 4.4% agreed for large scale enterprises and majority i.e. 37.8% gave their consent for micro and 28.9% said for small and another 28.9% for medium enterprises and according to 53.3% of respondents, it may take 1-2 years to get back business in same position, while 20% gave voting for 2-3 years and less than 5% believe that it may take more than 4 years to get back in similar situation.

In gist, study proved that entrepreneurs are facing lots of challenges due to Covid-19 and they also believe that they are going to face many difficulties in post covid era. Entrepreneurs were more concerned for financial risks, low volume of customers and shortage of labours. According to the survey, Medical, Grocery and Dairy businesses are least affected businesses in this pandemic whereas tourism industry, restaurants, manufacturers and transportation is proved most affected businesses these days. When the researcher asked about which type of units are highly depressed in this current situation, then the respondents admitted micro units are facing lots of trouble than large units. More than 50% respondents admitted that it will take

more than 1 year to come back in normal situation whereas 20% respondents said that it will not come in normal situation in 1 or 2 years. More than 2 years are required to bring the operation activities of business in similar position.

## CONCLUSION

The Covid-19 pandemic has managed not to just slowdown the progress on the business front, but also has led to bring certain businesses and entire industries to a standstill. It is a challenging phase for all, and entrepreneurs are facing a new set of challenges, dealing with which could be really taxing. Even though this might be a tricky situation to deal with, it is definitely not the time to lose heart over the losses that businesses might have incurred. This is the time to come together as a community and re-think about business strategies and the relevance; entrepreneurs would hold in the world post Covid-19. Entrepreneurs are fighters, optimistic and resilient. They will overcome this difficult period because this is in their DNA to bounce back. Every crisis is not limitless, and in the end entrepreneurs can always undertake something.

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