



Achieving Entrepreneurial Satisfaction Through Non-Financial Factors Among Retail Entrepreneurs In Tamil Nadu.

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Abstract

This study explores the impact of non-financial factors on entrepreneurial satisfaction among retail entrepreneurs in Tamil Nadu. While financial success is often viewed as the primary indicator of business achievement, non-financial factors such as innovation, employee trust, optimism, failure acceptance, and recognition also play crucial roles in enhancing satisfaction. The research examines how these variables influence the entrepreneurial journey, offering a holistic understanding of satisfaction beyond profit metrics. Findings indicate that fostering an environment of continuous innovation enables entrepreneurs to remain competitive and fulfilled. Building employee trust contributes to a supportive and committed workplace culture, furthering job satisfaction and business resilience. Optimism provides the mental fortitude necessary to face challenges, while failure acceptance empowers entrepreneurs to view setbacks constructively, enhancing their ability to persevere. Lastly, external recognition validates entrepreneurs' efforts, contributing positively to their sense of accomplishment. Collectively, these insights reveal that entrepreneurial satisfaction in Tamil Nadu's retail sector is deeply intertwined with personal fulfillment and relational dynamics, providing implications for policy and support systems aimed at nurturing sustainable, satisfaction-driven entrepreneurship.

Key words: Entrepreneurial satisfaction, Retail entrepreneurs, Salem, Tamil Nadu.

Introduction:

India's retail market has seen a significant transformation, experiencing remarkable growth over the past decade. Currently the fourth-largest retail market globally, it is projected to reach \$1.1 trillion by 2027 and \$2 trillion by 2032, with a compound annual growth rate (CAGR) of 25%. India stands out as a top destination for retail investment due to its vast population, the world's second largest; a burgeoning middle class of approximately 158 million households; rapid urbanization; connected rural consumers; and growing discretionary spending. Ranked first in the 2023 Global Retail Development Index (GRDI), the Indian retail sector contributes over 10% of the nation's GDP and employs about 8% of its workforce, with more than 35 million jobs. By 2030, the sector is expected to add 25 million new jobs. Food and grocery, apparel and footwear, and consumer electronics are the largest segments, accounting for 63%, 9%, and 7% of the market, respectively. E-commerce is set to expand by 18% annually through 2025, reaching an estimated \$350 billion in GMV by 2030. India's luxury retail market, valued at \$30 billion, is also on a steady growth path, driven by rising disposable incomes and increased foreign brand investment (Yadav, 2024). A retail entrepreneur owns and manages a retail business independently, distinct from corporate managers who oversee retail chains or large institutions. Typically, retail entrepreneurs operate small stores with limited

staff (Grimmer et al., 2017). These entrepreneurs play a vital role in the economy, contributing as employers, job creators, and innovators (Hessels et al., 2018). Despite the drive to succeed, research indicates that as many as 60% of start-ups and new ventures fail within the first five years (Cooper et al., 1988); Phillips & Kirchoff (1989); Dhir & Dhir (2017). Self-employed individuals often earn less on average than those employed by others (Hamilton, 2003). Satisfaction is an essential factor in an entrepreneur's success, with venture survival largely dependent on venture efficacy. While financial performance can heavily influence an entrepreneur's satisfaction with their venture, personal characteristics, motivations, and the venture's specific traits also play a role. However, existing research has primarily focused on employee satisfaction rather than the satisfaction of entrepreneurs themselves (Cooper & Artz, 1995).

Review of literature

India's retail market is projected to reach \$2 trillion by 2032, driven by socio-demographic and economic trends like urbanization, income growth, and the increase in nuclear families. Meanwhile, the Indian e-commerce industry is expected to surpass \$350 billion by 2030, growing at a CAGR of 23%. By 2030, India will emerge as the third-largest online retail market globally and is expected to have approximately 6 million MSME merchants by 2027. Currently, India's retail market remains largely unorganized; however, over the next 3-5 years, modern retail (including e-commerce) is anticipated to grow to represent 30-35% of the market, while traditional retail's share is expected to decline to 65-70% (Yadav, 2024). Schjoedt (2009) compares entrepreneurs with non-founding top managers and finds that job characteristics are positively associated with job satisfaction for both groups, though the relationship is stronger for entrepreneurs. Key job characteristics such as independence, variety, and responsiveness were found to significantly contribute to entrepreneurs' job satisfaction. Lian and Yen (2017) examined Taiwanese entrepreneurs, contrasting 'pure-play' and 'click-and-mortar' online entrepreneurs, to explore differences in personal innovativeness and risk-taking propensity. They found a positive association between general personal innovativeness and both innovativeness in information technology and overall entrepreneurial satisfaction. Their study also indicates that entrepreneurial satisfaction is a key determinant of life satisfaction for entrepreneurs. Kautonen and Palmroos (2010) investigated whether individuals who enter entrepreneurship out of necessity still experience entrepreneurial satisfaction. They found that necessity-driven entrepreneurs often express a desire to return to traditional employment later in their careers. However, if these entrepreneurs achieve adequate economic returns, their desire to exit entrepreneurship may decrease. Munyon et al. (2010) discovered that optimism plays a key role in enhancing work satisfaction, as it facilitates the development of personal resources and behaviors that contribute to greater job satisfaction. Similarly, Rasmussen et al. (2006) noted that optimism tends to produce relatively positive emotions, which are relevant to job satisfaction. Research consistently shows a positive correlation between positive emotions and job satisfaction, and a negative correlation between negative emotions and job satisfaction (Agho et al., 1992; Brief & Roberson, 1989; David & Keltner, 1993). The economic success of an enterprise is influenced by its inherent characteristics (Festervand et al., 1988). Marketers, for example, are often perceived as profit-oriented, innovative, and risk-tolerant (Lumpkin & Dess, 2001). Enterprise growth is frequently shaped by individuals' beliefs and assessments of their environment and its impact on them (Ateljevic & Doorne, 2000; Peters & Schuckert, 2014; Dhir & Dhir, 2018b). Consequently, entrepreneurial decisions are often closely related to the entrepreneur's well-being and their surrounding environment (Suwanamas et al., 2015). Peters and Schuckert (2014) suggest that when building a business, entrepreneurs should focus on what they enjoy, assess their competition, and conduct market research to understand the factors that will drive success. This process requires initiative and creativity, skills that, when fully expressed in their business, bring satisfaction to entrepreneurs. Embracing failure has also been shown to enhance entrepreneurial satisfaction; successful entrepreneurs often accept setbacks and move forward. Psychological well-being has been identified as a key career outcome for the self-employed (Andersson, 2008; Yu & Kwan, 2011). Bonke et al. (2009) noted that income and leisure time, two primary sources of utility in economics, as well as start-up motives, significantly influence entrepreneurial satisfaction. Studies consistently show that self-employed individuals are generally more satisfied with their jobs than employees (Benz & Frey, 2008; Bradley & Roberts, 2004; Hundley, 2001). Satisfaction is a multidimensional concept encompassing personal evaluations of life, work, relationships, and leisure (Argyle, 2001). Entrepreneurial satisfaction forms a foundation for understanding entrepreneurial performance and serves as a driving force behind continued entrepreneurial pursuits and success (Carree & Verheul, 2012). Hisrich (1990) further emphasized that personal satisfaction is among the most valuable rewards for entrepreneurs, while Binder and Coad (2013) examined life satisfaction as a key characteristic in their study of entrepreneurs' personal attributes.

Materials and methods

The respondents for this study were retail entrepreneurs in Salem district, Tamil Nadu which comprises of 14 taluks. Samples were selected using convenience sampling method. The total samples used in this study were 455 retail entrepreneurs. The main objective of this research study is to analyse the entrepreneurial satisfaction through non-financial factors among retail entrepreneurs in Salem, Tamil Nadu. The data were collected using questionnaire. The questionnaire comprises of two section. First section about demographic profile and second section on the statements related to non-financial factors on entrepreneurial satisfaction. The overall reliability of the variables is 0.835. Percentage analysis and factor analysis were used. SPSS 26 used to execute factor analysis.

Results from percentage analysis

<i>Category</i>	<i>Particulars</i>	<i>Frequency</i>	<i>Percentage (%)</i>
Gender	Male	291	64.0
	Female	164	36.0
Age (in years)	20-29	50	11.0
	30-39	170	37.4
	40-49	111	24.4
	Above 50	124	27.3
Marital status	Married	210	46.2
	Unmarried	102	22.4
	Widow	72	15.8
	Divorced	71	15.6
Educational qualification	UG	152	33.4
	PG	118	25.9
	Technical	79	17.4
	Any other	106	23.3
Nature of work	Proprietorship	310	68.1
	Partnership	145	31.9
Experience	Less than 2 years	158	34.7
	3-4 years	121	26.6
	Above 4 years	176	38.7
Nature of retail shop	Textiles and clothing	119	26.2
	Food and grocery	126	27.7
	Pharmacy	108	23.7
	Consumer durables and mobiles	102	22.4

Source: Computed from primary data

The demographic profile of the respondent's shows that 64% of them are male and remaining 36% of them were female. 37.4% of the respondents age falls between 30-39, 46.2% of them were married, 22.4% of them were unmarried, 15.8% of them were widow/widower and 15.6% of them were divorced. Educational qualification result shows that 33.4% of the respondents completed their UG, 25.9% of them completed their PG, 17.4% of them completed their technical courses. 68.1% of them holds proprietorship and 31.9% of them run their business as partnership concern. 38.7% of them have more than 4 years of experience and 34.7% of them have less than 2 years' experience, 27.7% of them runs food and grocery shop, 26.2% of them own textiles and clothing shop, 23.7% runs pharmacy and 22.4% of them own consumer durables and mobiles shops respectively.

Table 2 Results from Factor Analysis

Items	F1	F2	F3	F4	F5	F6
ET2	0.991					
ET1	0.984					
ET3	0.982					
RE2		0.991				
RE1		0.972				
RE3		0.972				
AF1			0.898			
AF3			0.890			
AF2			0.849			
SAT2				0.896		
SAT1				0.867		
SAT3				0.841		
OP3					0.886	
OP1					0.847	
OP2					0.829	
IN2						0.867
IN1						0.857
IN3						0.834
Kaiser-Meyer-Olkin Measure of Sampling Adequacy (KMO)						
0.670						
Bartlett's Test of Sphericity 9995.911; df: 153; Sig. 0.000						
Principal Component analysis. Varimax rotation						

The results of factor analysis (EFA) was presented in the Table 2. EFA was executed using SPSS Version 26. KMO value was 0.670 which was a good value for applying factor analysis with the variables used in the questionnaire. Bartlett's Test for Sphericity value was 9995.911 with df153, and significant value was 0.000 which was less than 0.05. Principal Component Analysis was executed. Varimax rotation extracted six factors with Eigen values which are greater than 1. The total variance for the six factors extracted were 88.563. Six factors have been extracted namely employee trust, recognition, acceptance of the failure, satisfaction, optimism and innovation. The factor loadings for all the items of six constructs were more than 0.8.

Discussion and Conclusion

Achieving entrepreneurial satisfaction among retail entrepreneurs in Tamil Nadu goes beyond financial gains, deeply rooted in several non-financial factors that shape and enrich the entrepreneurial experience. This study identified key variables namely innovation, employee trust, optimism, failure acceptance, and recognition that contribute significantly to enhancing satisfaction levels among retail entrepreneurs. Firstly, Employee trust plays a fundamental role. When entrepreneurs invest in building trustworthy relationships with their employees, they cultivate a supportive and cohesive workplace culture. This trust, in turn, boosts morale, enhances productivity, and reduces turnover, ultimately contributing to a more fulfilling entrepreneurial journey. Knowing they have a reliable and motivated team fosters a sense of shared purpose and accomplishment, which bolsters satisfaction and sustains business commitment. Recognition from peers, customers, and the community enhances entrepreneurial satisfaction. For retail entrepreneurs, acknowledgment of their hard work, dedication, and contributions fosters a sense of validation and achievement. Positive feedback from customers and recognition within the industry bolster their reputation and provide a sense of pride and accomplishment, fuelling satisfaction that extends beyond financial metrics. Failure acceptance is another vital factor in entrepreneurial satisfaction. Retail entrepreneurs who view setbacks as learning opportunities rather than personal shortcomings are more likely to find fulfilment in their entrepreneurial pursuits. Accepting and embracing failure as part of the growth process reduces stress, increases resilience, and fosters a constructive attitude toward long-term success. This positive perspective on failure empowers entrepreneurs to move forward with renewed vigour, ultimately enriching their overall satisfaction. The variable of Optimism contributes significantly to entrepreneurial satisfaction. Entrepreneurs who maintain a positive outlook tend to navigate challenges with resilience and perseverance. Optimism encourages entrepreneurs to set aspirational goals, adopt a proactive approach, and maintain

motivation even in the face of setbacks. This mindset not only fuels personal satisfaction but also positively influences the business climate, making the journey rewarding despite inevitable difficulties. Innovation emerged as a crucial element, enabling entrepreneurs to stay competitive, responsive, and forward-thinking. Entrepreneurs who prioritize innovation can more effectively differentiate themselves in the market, build resilient brands, and maintain relevance, all of which foster a sense of accomplishment and satisfaction. Encouraging creative solutions, new product offerings, and adaptive business models enhances their engagement and pride in the enterprise, leading to higher satisfaction levels. Overall, the study underscores that entrepreneurial satisfaction for retail entrepreneurs in Tamil Nadu is multi-faceted, driven by a combination of psychological and relational factors. By fostering innovation, building employee trust, maintaining optimism, embracing failure, and seeking recognition, retail entrepreneurs can achieve a more profound, enduring satisfaction that supports sustainable business practices and personal fulfilment. This understanding of non-financial satisfaction factors can be instrumental in guiding support initiatives, policy frameworks, and training programs aimed at nurturing a thriving entrepreneurial ecosystem in Tamil Nadu and beyond.

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