Role of Competitive Edge, Marketing Facilities, Financial Assistance, and Government Supports on SME Development in Bangladesh

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ABSTRACT

The major driver of a country's ability to achieve social progress and a sustainable economy is industrialization. Considering that entrepreneurship is essential for launching new businesses that animate and revive the economy. Notably, in Bangladesh, the role of Bangladesh Small and Cottage Industry Corporation (BSCIC) is the main catalyst for developing sustainable entrepreneurship. However, there is criticism that the standpoints of small and medium-sized businesses of the BSCIC entrepreneurs are under the assistance of the Government. Therefore, it is essential to see the impacts of other factors on the performance of the BSCIC Entrepreneurs. Therefore, this study aims to explore the impacts of four factors, i.e., Competitive edge with large-scale industry, financial technical support, Marketing initiatives, and Government initiatives, on the performance of BSCIC Entrepreneurs. This study collected 65 sample data based on a questionnaire survey and the data was analyzed based on structural equation modeling. The result shows that marketing initiatives have a positive impact, but a competitive edge with large-scale industry as well as government support has negative impacts. Whereas the financial support does not show any impact on entrepreneurs’ performance. This study will help the entrepreneurs and policymakers improve the entrepreneurial development in Bangladesh.

Keywords: Business, BSCIC, Entrepreneurs, Government, Small & Cottage Industry.
INTRODUCTION

Microbusinesses are frequently modest family businesses with only one or two employees. Making enough money to support themselves and their families is the main concern of most microbusiness owners. Small businesses with nine or fewer employees and a financial sheet or turnover below a specific number are often considered micro and small enterprises. Additionally, micro and small entrepreneurship development means entrepreneurs who run business with some workers and is freely owned and localized in operation and come up with new product, market technique, creative plans, and ideas to survive and to stay in the competition.

Moreover, in any economy, Small and Medium Enterprises (SMEs) have a substantial impact, particularly when considering how they influence the development of local and regional economic systems. (Rahman et al., 2018). As a result, this sector's contribution to the economy is satisfactory since it offers numerous opportunities for job creation, supports those who want to work for themselves, and upholds both the nation's territorial and non-territorial demands (Rahman et al., 2018). Considering SMEs' importance, many countries draw attention to improving this. Small-scale and cottage industries (SCI) are vital for the economy of the state, especially for the economy of India (Pandey, 2013).

In the case of developing countries, SME development plays a significant contribution to alleviating poverty. Considering this importance, many governments all over the world, especially in South Asia appear to have recognized the key impact that the SME sector is essential for boosting the economy and reducing poverty. Sinha (2003) finds the importance of SME practice in Bhutan, India, Nepal, and Pakistan. In this situation, the development of this sector as the SCI brings the pace of growth as well as expansion of the sector, and the responsibility of helping the sector's entrepreneurs is the major responsibility of any country’s Government. Now definition of an entrepreneur is an individual who sets up a business, taking financial risks in the hope of gaining money. Entrepreneurship development is the process of accomplishing all the entrepreneurial nature- reliance, promising, laborious, humble, diligence, independence, resolution, initiative, versatile, sentient, leading, innovativeness, benefit-oriented, experienced, and originative (Chowdhury, 2017). Therefore, Micro and small entrepreneurship development is important because it plays an important role in economic growth, poverty reduction, and rapid industrialization of any developing country. Most
importantly, entrepreneurship development can create more employment facilities for unemployed workers.

The entrepreneurs’ development is affected by many factors including economic factors, social factors, psychological factors, entrepreneurial culture, and technological factors (Danish, Asghar, Ahmad, & Ali, 2019; Kanyari, & Namusonge, 2017; Putra, 2019) and these factors vary from region to region. (Dvouletý, 2017; Kasseeah, 2016; McCann, & Ortega-Argilés, 2016). Therefore, the objective of the study is to explore the factors that affect SME development in Bangladesh.

There are strong justifications for conducting this study on Bangladesh. Moreover, SMEs in Bangladesh accounted for more than 99% of private-sector industrial establishments. Furthermore, it created job opportunities for 70%–80% of the nonagricultural labor force (IMF, 2012). Having understood the importance of the cottage industry, various initiatives are taken by the Government for the development of the entrepreneurs (Bari et al., 2019). However, in Bangladesh, the government trying to help entrepreneurs through Bangladesh Small and Cottage Industries Corporations (BSCIC), which helps not only to make entrepreneurs but also, indirectly small-medium enterprises (Khan et al., 2012). Noticeably, a 1 percent increase in income from BSCIC will increase the yearly household consumption by 0.73 percent, whereas it is only 0.36 percent in the case of non-BSCIC income Haider M. et al., (2015). (Philip, 2010) identifies the determinants of small and medium enterprises (SMEs) business success in Bangladesh.

This study will help entrepreneurs and policymakers to improve SME entrepreneurial development in Bangladesh. This study also attempts to analyze the barriers to entrepreneurship development that SMEs in Bangladesh that are run by BSCIC encounter, and it makes recommendations for ways to do so. Additionally, based on entrepreneurship theories and research, this paper captures the essence of identifying the challenges faced by entrepreneurs and facilitating the identification of workable strategies and approaches required for the promotion and strengthening of SME entrepreneurship operating under BSCIC in Bangladesh, serving as a help to policymakers, researchers, and businesses for enhancing the various aspects of entrepreneurs.

An Overview of BSCIC and Entrepreneurship Development in Bangladesh

In Bangladesh huge number of the population are low, semi-skilled, and unemployed workers. Thus, the Government's main aim is to create more employment so that it can secure incomes
and alleviate poverty that is why Micro and small entrepreneurship development is important for Bangladesh. The main structure of SMEs in Bangladesh is labor-intensive and developed SMEs are considered the most effective in creating employment and increasing the standard of living.

According to the classification established by the 2016 Industrial Policy, businesses in Bangladesh with Tk1–7.5 million and 16–30 employees are considered micro-industries, and those with Tk7.5–150 million and 31–120 people are considered small industries. Additionally, small businesses are defined as those with Tk1–20 million in revenue and 16–50 employees (Ministry of Industries, 2016). Micro and small businesses (MSE) in Bangladesh are divided into two categories: manufacturing businesses and service businesses. Companies in the manufacturing sector create products or materials for many types of industries. On the other hand, service providers offer or carry out services.

The cottage industry refers to a family-run business in which employees work either full- or part-time in the production process. Small and cottage industries are not only important in the economy of any country but also essential for the essentials of small and medium-sized enterprises, as a strategy to develop expanded job creation and to create a structural base of large industries.

The primary organization in Bangladesh for promoting small, cottage, and rural businesses to developed entrepreneurs is Bangladesh Small and Cottage Businesses Corporation (BSCIC). First, BSCIC took over the East Pakistan Small and Cottage Industries Corporation (EPCIC), which existed at the time. There were two distinct corporations in existence at the time: Bangladesh Small Industries Corporation (BCIC) and Bangladesh Cottage Industries Corporation (BSIC). Later these two corporations were brought together in 1975 (Shikder, 2014). However, in 1950 the contribution of the industry to the economy of the province was not more than 2 percent. Agriculture was the prime factor of the country's economy, and very naturally, the lion's share of the country's labor force (about 90 percent). This trend of over-dependence on agriculture has also continued but does not last long. After all, with the expansion of industry in the country, the dependence on agriculture has declined, and more dependence on the industry sectors. So, the establishment of Bangladesh Small and Cottage Industry Corporation (BSCIC) is helping to patronize the development of small and cottage industries throughout the country (Bhuyan et al., 2018).
As so far, by providing infrastructural facilities for setting up industrial units within the non-public sector, BSCIC has enforced 76 Industrial Estates thus far. As a result, investment, production, and new employment opportunities have enlarged in these Industrial Estates. Industrial Estates are contributing immensely to trade goods production and national growth (Ali, 2014). In a growing nation like Bangladesh, industrialization is the primary requirement for achieving social progress as well as sustainable economic growth. In this way, BSCIC also contributes to the growth of the nation. According to Bangladesh Economic Review, Table 1 depicts a scene.

**Table 1**: Manufacturing Sector’s Volume and Growth Rate (At constant prices of 2005-06)

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Small and Cottage</td>
<td>21176</td>
<td>22569.1</td>
<td>24557.9</td>
<td>26113.1</td>
<td>28342.6</td>
<td>30909.4</td>
<td>33945.8</td>
<td>37086.4</td>
<td>40891.9</td>
</tr>
<tr>
<td>Medium-Large</td>
<td>88475.3</td>
<td>97998.3</td>
<td>108436.2</td>
<td>118540.3</td>
<td>131225.4</td>
<td>147313.5</td>
<td>163819.5</td>
<td>187183.7</td>
<td>216411.2</td>
</tr>
<tr>
<td>Total</td>
<td>109651.4</td>
<td>120567.4</td>
<td>132994.1</td>
<td>144653.4</td>
<td>159568</td>
<td>178222.8</td>
<td>197765.3</td>
<td>224270.1</td>
<td>2557303</td>
</tr>
<tr>
<td></td>
<td>-10.01</td>
<td>-9.96</td>
<td>-10.31</td>
<td>-8.77</td>
<td>-10.31</td>
<td>-11.69</td>
<td>-10.97</td>
<td>-13.4</td>
<td>-14.73</td>
</tr>
</tbody>
</table>

Source: Bangladesh Economic Review, 2019

However, there is no specific and systematic study about socioeconomic status, economic factor analysis that affects the BSCIC entrepreneurs. This study realized the existence of the above and aimed to close this gap in the literature of SMEs particularly on BSCIC entrepreneurs. Keeping in mind, the objective of this study is to explore the socioeconomic status of entrepreneurs, the various factors that affect entrepreneurs, and the obstacles in their business. This study will benefit policymakers and related businesses.

**LITERATURE REVIEW AND HYPOTHESES DEVELOPMENT**

**Competitive edge with large-scale industry**

Competition is one among the external forces, which have a high impact on the expansion rate of cottage industries. The problems which the entrepreneur faces are the results of the influenced external factors and that are not controllable by any particular unit (Anjum, 2011).
In addition, business owners need more appropriate marketing and management skills to conduct business in this contemporary capitalist globe given the current competitive environment. (Haider et al. 2017).

H1: ‘Competitive Edge with large scale Industry’ has a positive effect on Tangail BSCIC entrepreneurs under the assistance of the Government.

Marketing Initiatives

Marketing initiatives help firms acquire and retain customers (Emran et al., 2017). In the Fifth era of the marketing stage, the marketing initiatives should be according to the customer needs. Without doing marketing research and knowing the tastes and preferences of the customer it can hardly be, succeed in business (Joy et al., 2013). Therefore, in marketing initiatives, a schedule for routinely hosting conferences, workshops, trade shows, etc. should be developed (Alauddin et al., 2015).

H2: ‘Marketing Initiatives’ has a positive effect on Tangail BSCIC entrepreneurs under the assistance of the Government.

Financial Technical Support

Small and medium firms are relevant to the creation of employment, development of economy, growth of new technologies, and expansion of industries, and markets (Rahman, 2005). Therefore, every firm needs finance for starting and sustaining for which different govt. banks, private banks are helping (Siddiquee et al., 2006).

Moreover, the success of the cottage industry has been significantly affected by capital access, human resource, training, technology, and information (Hider et al., 2015). Including, the importance of finance within the development of small and medium enterprises (SMEs) (Haruna, 2018; Jesmin, 2009; Azim, 2013) assesses the entrepreneur’s improvement instruction program of the Small and Cottage Industries Training Institute (SCITI) of Bangladesh. Finding that, those who get trained become more successful as compared to those who are not (Haider et al., 2017). Time passed in business, they got to experience, after getting experience, and they earned vast quantities of cash by doing business (Liton et al., 2014; Khan, 2018). On the contrary, (Philip, 2010) also identifies the determinants of SME business failure in Bangladesh. (Islam et al., 2018) study finds the most significant barriers to corporate growth include limited access to capital, a lack of accurate business information and arrangements,
fierce competition in the domestic market, a lack of ball-hawking personnel as well as technology, and expensive equipment and raw supplies.

H3: ‘Financial Technical Support’ has a positive effect on Tangail BSCIC entrepreneurs under the assistance of the Government.

**Government Support**

The performance of the government is crucial to bringing about any changes for SMEs development on the contrary lack of Government roles such as developing training facilities, proper guidelines, and enriching social networking is also a hindrance to SME development (Hossain, 2015). However, the government needs to step up and improve the infrastructure in rural and semi-urban areas, as well as the access to raw materials and transportation. Additionally, the government should establish more cooperative banks and open branches of other nationalized banks, which would be able to meet the short- and long-term credit needs of both current and potential industries (Pandey, 2013). In this regard, Eniola et al. (2015) find the connection between the performance of SME firms and government policies. Similarly, the competitiveness of SMEs is significantly impacted by government policies.

In the case of Sri Lanka, the Government also emphasizes to develop this sector. They take a national policy to develop this sector, expanding institutional support, giving incentives, creating inter-industry linkage, and establishing funding institutions for the entrepreneurs (Gamage, 2003). Cottage and small-scale industries have also a nice scope in Pakistan (Khan, 2018). However, Azad Jammu and Kashmir's cottage industry has potential, and women entrepreneurs play an important role in this sector. Moreover, their problems include proper recommendations, wrong marketing strategies, lack of trade information and high target settings by the entrepreneurs, lack of qualitative data, and unskilled workforce (Rehman et al., 2017). In doing so, many researchers find SMEs are an essential part of the national economy in Bangladesh (Alauddin et al., 2015; Islam et al., 2011). As a result, this sector is essential to the growth of the nation's economy as well as the reduction of poverty.

Chowdhury, 2017; Ahmed et al., 2015) identify the new range and current opportunities for an entrepreneur from the government, such as providing reinforcement packages for failed entrepreneurs by organizing necessary financing for new startups, granting tax relief, facilitating quality testing, aiding in re-engineering products or services in the additional market, and providing information. (Abdin, 2018) mentions the development of infrastructure, such as the construction of roads, bridges, tunnels, water supplies, sewage systems, electricity,
gas, telecommunications systems, cellular networks, internet connectivity, and broadband speeds, among other things. From this point on, this study represents the viewpoint of BSCIC entrepreneurs, including all of their resources, skills, personalities, expertise, and information under the support of the government. The current hypotheses of this investigation are

H4: ‘Government Supports’ has a positive effect on Tangail BSCIC entrepreneurs under the assistance of the Government.

METHODOLOGY

Technical Approach

This baseline study is followed by a quantitative and qualitative approach for collecting information about the status of BSCIC entrepreneurs. Considering this, a questionnaire survey is undertaken to collect key information including Age, Business type, Gender, Business type, Marital status, Education level, Family Members and earning members, Experience of working, Workers’ engagement in their industry, etc. Qualitative information is collected to acquire an understanding of the overall functioning of the value chain in concern. Like others, a Statistical Package for the Social Sciences (SPSS) software is used to find Cronbach’s Alpha reliability analysis and factor analysis. However, the Reliability of all sub-factors in the questionnaire is marked by applying Cronbach’s Alpha reliability method. Similarly, the measurement model and structural models are verified using smart PLS software. (Ringle et al., 2015).

Sample Size and Questionnaire Development

This study is conducted in the BSCIC area of Tangail District. From the Industries Service Center (ISC) of BSCIC, a total of 65 entrepreneurs were identified in this area. A questionnaire is designed, and data is collected according to a sampling basis. However, as this study has the resources to reach all of them, the questionnaires are distributed to the population size of 65 entrepreneurs in the Tangail BSCIC area. The responses of the questionnaires are judged based on the respondents’ preferences for specific factors, by allocating the Likert 5 scale weights. The data has been collected over a week.

Structural Equation Modeling

The present study considers factors such as competitive edge with large-scale industry, marketing initiatives, financial support, Government initiatives, working environment, and its
impacts on the entrepreneurs of the Tangail BSCIC area. Moreover, the sub-factors are technology use, lack of efficiency, raw materials-related problems, educational qualification, business fair, the need for a business fair, advertisement, transportation, distribution channel, financial loan, getting loan properly, interest rate, finance from Govt., training facilities, tax holiday, plot allotment in time, electricity, gas and water, internet, safe working place, women participations, holiday, bonus system, business satisfaction (Silaparasetti et al., 2017). Applying the measurement model, it finds out the relation between factors and subfactors. Here, figure 1 below displays the structural model.

*Figure 1*: Structural model

**DATA ANALYSIS**

**Socio-Economic Profile of the Respondents**

A study on the socio-economic preface will help in determining the entrepreneurs’ beliefs about doing business (Vinze, 1985; Sadekin et al., 2018a). In the analysis of the social-economical condition, the workers (entrepreneur) age, marital status, education level, family’s assets, the family members and their earning members will come first (Sadekin et
al., 2014; Sadekin et al., 2018b). However, in this study, trying to analyze the BSCIC entrepreneur’s age, most of the entrepreneurs about 25 are between 50 to 60 ages category. (Kristiansen et al., 2003) also find a major correlation between the age of the entrepreneur and business success. Entrepreneurs who are older (>25 years old) have greater success than those who are younger.

Moreover, research also suggests that in their assessment of work both men and women who are exercising significantly different standard (Oshagbemi, 2000). However, in this study there are 60 entrepreneurs are male and 5 entrepreneurs are female. According to research by Charney et al. (2000), self-sufficient entrepreneurs are produced by entrepreneurship education. Additionally, they discover that entrepreneurship education enhances the possibility of starting the newest businesses, being self-employed, and creating new items. The majority of the entrepreneurs in this survey are educated. Due to the official poverty measure’s inclusion of family size, a conceptual framework in www.hhs.gov (2005) demonstrates that family size is a significant influence and symbolizes whether a family or an individual is in poverty. Of 65 entrepreneurs, a total of 303 members and earning members are 122. In this case, the entrepreneurs who are aged between 50 to 60 years, their children are now in the incoming stage and support their families.

A study by (Indarti et al., 2004) demonstrates the importance of multiple income sources in smaller firms. Nevertheless, in this study, this is the only source of income of the entrepreneurs that the study finds. (Kolvereid, 1996) finds that individuals who are in prior entrepreneurial experience had significantly higher entrepreneurial motives than those without such experience. However, 30 entrepreneurs out of 65, have more than 20 years’ experience in their working place. Additionally, McMahon (2001) finds that in Australia greater dependence upon outside finance is associated with better business improvement. Moreover, in Indonesia, Kristiansen et al. (2003) discovered that business success is significantly related to financial flexibility. All the entrepreneurs in this area are directly dependent on this helpline system. This result shows the financial technical support, which helps the Tangail BSCIC entrepreneurs.

**Measurement of the Model**

In this study, the measuring model is examined by many sub-factors. Additionally, the structures with both convergent and discriminating features monitored scale dependability. The commitment to maintaining a competitive advantage with large-scale industry, marketing
initiatives, financial technical support, and government initiatives that have an impact on entrepreneurs are the main associations that are displayed. Using a practical PLS software program, the same issue loadings are assessed to rate the reliability of the various sub-factors. The minimal factor loading for sub-factors was set at 0.45, as advised by Comrey (1973). As instructed by (Hulland, 1999), sub-factor loading measurements higher than 0.50 are allowed for this investigation. To improve the model fit, the dimension model is then separated from the dimension sub-factors that contribute the least to the latent construct. The resultant final path model in Figure 2 illustrates the outcome following dropouts, which is unsuitable for the model and requires additional research.

**Figure 2:** Presenting the final path model, Source- Field survey
Structural Model

The structural model is monitored through Smart PLS software which has been verified by the study. This model includes a path coefficient assessment that illustrates the strength of the relationships between the independent variable, dependent variable, and R-square value. Moreover, Efron et al. (1993) suggest a technique for bootstrapping re-sampling of 65 samples is utilized to define the consequence level of the paths determined within the structural model. As a statistical conclusion value, a 5% level of significance (p 0.05) and (p 0.01) are used. The resulting t-value contains an indication of the level of significance utilizing the extent of the same factor estimations between the constructs. The outcome of the structural model is summarized in Table 2.

Table 2: Path Coefficients along with their bootstrap values and ‘t’ Values

<table>
<thead>
<tr>
<th>Factors</th>
<th>Original Sample (O)</th>
<th>Sample Mean (M)</th>
<th>Standard Deviation (STDEV)</th>
<th>P Values</th>
<th>Level of significance</th>
</tr>
</thead>
<tbody>
<tr>
<td>CESLI-&gt;IE</td>
<td>-0.241</td>
<td>-0.238</td>
<td>0.096</td>
<td>0.013</td>
<td>*</td>
</tr>
<tr>
<td>FTS-&gt;IE</td>
<td>-0.004</td>
<td>-0.023</td>
<td>0.125</td>
<td>0.975</td>
<td>Not supported</td>
</tr>
<tr>
<td>GS-&gt;IE</td>
<td>-0.636</td>
<td>-0.609</td>
<td>0.124</td>
<td>0.000</td>
<td>**</td>
</tr>
<tr>
<td>MI-&gt;IE</td>
<td>0.291</td>
<td>0.297</td>
<td>0.117</td>
<td>0.013</td>
<td>*</td>
</tr>
</tbody>
</table>

** means significance level (p<0.01), * means significance level (p<0.05)

Model Efficiency Test

Reliability Test

The composite reliability value and Cronbach's alpha value are used to analyze the measurement model's internal consistency. The focus of the evaluation of construct reliability and inner constancy prediction is composite reliability. According to findings from PLS-SEM by Hair et al. (2011), composite reliability is more appropriate than Cronbach's alpha since it does not assume that all indicators are equally consistent. According to (Gefen et al., 2000), the cut-off score for composite reliability is 0.7, and according to (Hair et al., 2010), the lowest score for Cronbach's Alfa should be above 0.6. Table 3 displays the factor loadings, composite reliability, and Cronbach's alpha values that the PLS algorithms aim toward. According to Table 3, the composite reliability score is greater than 0.876 and the Cronbach's alpha value is over 0.790. The model is so frequently synonymous with being dependable and trustworthy.
Convergence Validity: Average Variance Extracted (AVE) tests are used in a Smart PLS software program to assess the convergent validity of various constructs. Moreover, composite dependability scores, and Cronbach's alpha (Fornell et al., 1981) are also used. The results are presented in Table 3. The results show that which confirms that the dimension sub-factor is appropriate for their constructs, proposes all of the taken into account Cronbach's alpha standards and composite reliability scores over the 0.7 thresholds (Litwin, 1995). Additionally, according to Fornell et al. (1981), due to dimension errors, the amount of variation that a construct deviates from its displays in comparison to the amount measured by AVE. The results of the AVE test provided in Table 3 evidence that the constructs of the AVE scores are greater than 0.707.

Table 3: Factor loading for latent constructs indicators.

<table>
<thead>
<tr>
<th>Factors and Sub-factors</th>
<th>Factor loading</th>
<th>Cronbach’s alpha</th>
<th>Composite reliability</th>
<th>AVE</th>
</tr>
</thead>
<tbody>
<tr>
<td>A Competitive with large-scale industry</td>
<td></td>
<td>0.790</td>
<td>0.876</td>
<td>0.707</td>
</tr>
<tr>
<td>a2 Education insufficiency</td>
<td>0.649</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>a3 The problem of raw materials</td>
<td>0.902</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>a4 Lack of efficiency</td>
<td>0.941</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>B Marketing initiatives</td>
<td></td>
<td>0.990</td>
<td>0.993</td>
<td>0.981</td>
</tr>
<tr>
<td>b3 Advertisement</td>
<td>0.996</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>b4 Transportations</td>
<td>0.987</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>b5 Distribution channel</td>
<td>0.987</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>C Financial technical support</td>
<td></td>
<td>0.986</td>
<td>0.949</td>
<td>0.862</td>
</tr>
<tr>
<td>c1 Loan from financial institution</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>c2 Get loan properly</td>
<td>0.923</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>c3 Interest rate</td>
<td>0.873</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>D Government supports</td>
<td></td>
<td>0.916</td>
<td>0.947</td>
<td>0.856</td>
</tr>
<tr>
<td>d1 Financed by Govt.</td>
<td>0.962</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>d3 Tax facilities</td>
<td>0.873</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>d4 Plot allotment</td>
<td>0.938</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
**Discriminant Validity:** According to (Hulland, 1999) research, discriminant validity refers to how distinct each given construct is from the other constructs in the model. Each construct's sub-factors in the model should be distinct from those of other constructs. The values reported in Table 4's values records construct correlations and a diagonal line of standards encircling the AVE root. Discriminant validity is established by demonstrating that the standards for the diagonal lines are larger when their columns and rows are used as supports (Fornell et al., 1981).

**Table 4:** Discriminant Validity Results

<table>
<thead>
<tr>
<th></th>
<th>CELSI</th>
<th>FTS</th>
<th>GS</th>
<th>IE</th>
<th>MI</th>
</tr>
</thead>
<tbody>
<tr>
<td>CELSI</td>
<td>0.841</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FTS</td>
<td>-0.091</td>
<td>0.928</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>GS</td>
<td>0.477</td>
<td>-0.165</td>
<td>0.926</td>
<td></td>
<td></td>
</tr>
<tr>
<td>IE</td>
<td>-0.434</td>
<td>0.107</td>
<td>-0.746</td>
<td>0.674</td>
<td></td>
</tr>
<tr>
<td>MI</td>
<td>0.378</td>
<td>-0.055</td>
<td>0.015</td>
<td>0.191</td>
<td>0.990</td>
</tr>
</tbody>
</table>

Source- Field survey

**Model Fit**

The difference between the actual correlation observed and the correlation matrix is measured by Standardized Root Mean Square Residual (SRMR). The average magnitude of the discrepancies between actual and expected correlations can then be used to evaluate the model fit criterion. a fraction other than 0.10, or in a more conservative form, 0.08. (Hulland, 1999) who considers an honest fit. SRMR is introduces by Henseler (2012) as a goodness of fit action for PLS-SEM. Moreover, to avoid model misspecification, this is frequently accustomed. Normed Fit Index (NFI) is one of the first fit measures proposed in the SEM literature is the normed fit index by (Akhter et al., 2011). Consequently, the results of NFI lies between 0 and 1. The fit is better the closer the NFI is to 1. According to the analysis, this study’s R-square value is 0.634, meaning that the independent variable explains 63% of the dependent variable.
Table 5: Model fit.

<table>
<thead>
<tr>
<th></th>
<th>Saturated Model</th>
<th>Estimated Model</th>
<th>R Square</th>
</tr>
</thead>
<tbody>
<tr>
<td>SRMR</td>
<td>0.125</td>
<td>0.125</td>
<td></td>
</tr>
<tr>
<td>NFI</td>
<td>0.789</td>
<td>0.789</td>
<td>0.634</td>
</tr>
</tbody>
</table>

Source- Field survey

FINDINGS AND DISCUSSIONS

The performance of entrepreneurship in Bangladesh was investigated in this study along with the factors influencing it. From the table 2, the study gets the significance level $P (<0.05)$ values, and hypothesis H1 does not supported. Because it has a negative coefficient (-0.241). Thus, ‘Competitive Edge with large scale Industry’ negatively influences Tangail BSCIC entrepreneurs under the assistance of the Government. However, the study finds that most of the industries in this area have used modern technology equipment. Nevertheless, there are also many new technologies and equipment about which the entrepreneurs in this area are unaware. Some workers have good working skills and some do not up to the owners’ satisfaction level. That means a lack of efficiency and lack of educational insufficiency to the workers that most entrepreneurs reply to. Moreover, problems of raw materials is acute due to political instability, construction work in the road, market instability, etc. However, comparable to the findings of (Biswas et al., 2017) ‘Competitive Edge with large scale Industry’ shows a negative coefficient (-0.367) in the regression that shows negative influences on the Rural Cottage Industry in West Bengal. Both this study finds this factor has a negative influence on their cottage industry.

From Table 2, the study gets the significance level $P (<0.05)$ values, and the hypothesis H2 supports the study. Because it has a positive coefficient (0.291). In this way, ‘Marketing Initiatives’ have a positive effect on Tangail BSCIC entrepreneurs with the assistance of the Government. After all, the study finds that not to lack transportation problems, which the entrepreneurs face to reach their products to distribution channel properly. A huge number of distribution channels is also available for this area’s production. Again, this area’s entrepreneurs regularly do advertisement and promotional activities. Promotional activities such as business fairs which occur twice a year arranged by the authorities only for the entrepreneurs. However, comparable to the findings of (Biswas et al., 2017) where ‘Marketing
initiatives’ shows a coefficient (-0.31) in the regression negatively influences the Rural Cottage Industry in West Bengal because of higher advertisement cost, problems of distribution, lack of promotional activities, etc.

From Table 2, the study shows that the financial technical support is not significant with P (<0.05) and a significance value of 0.975. However, the hypothesis H3 does not support. Firms often need huge amounts of financial capital to sustain their growth and to ensure their production. Getting loans properly from financial institutions is at the satisfaction part for entrepreneurs. Because every institution in this area is involved directly with the financial institutions to get a loan. Nevertheless, the interest rate is too high, which is not at all a satisfactory part for entrepreneurs in this area. On the other hand, getting loan in time to run a business is also a problem for this area’s entrepreneurs. Besides, they apply for loan from the financial institutions, but they do not get it timely. However, comparable with the findings of (Biswas et al., 2017) where P (<0.05) is a significant explanatory factor along with a significance value of 0.18 for the Rural Cottage Industry in West Bengal.

From table 2, the study gets a highly significance level of P (<0.01) value, and hypothesis H4 does not support the study. Because it has a negative coefficient (-0.636). Therefore, ‘Government support’ has a negative effect on Tangail BSCIC entrepreneurs under the assistance of the Government. The role of a government is the key to success for any economy. However, this study also finds the role of Government that is playing to develop for this area’s entrepreneurs. That is not enough for this area’s entrepreneurs. To know this, this study divides government supporting into three categories Financed by the government to the entrepreneurs, tax facilities, and plot allotment in time to the entrepreneurs. After conducting the study, it finds that financing by the government and tax facilities to the entrepreneurs are not at a satisfied level to the entrepreneurs. Most of the entrepreneurs said that they not only get financed but also tax facilities during business from the Government. But the only thing that is at the satisfied level to all the entrepreneurs is that they all get plot for doing business in time from the Government. However, comparable with the findings of (Biswas et al., 2017) where negative coefficient (-0.011) in the regression shows ‘Government supports’ has negative influence of the Rural Cottage Industry in West Bengal.

However, the findings of (Biswas et al., 2017) find variables like Marketing Initiatives, Competitive Edge with Large Scale Industry, Financial Support, Government Initiatives shows a negative impact on the rural cottage industries in west Bengal. The study only underlines the
impact of issues and challenges affecting growth of cottage industry in West Bengal. In contrast to, this study trying to find out these economic factors affect on BSCIC entrepreneurs at Tangail under the assistance of Government. This study finds Competitive edge with large industry and Government supports shows the negative impact. Marketing Initiative shows positive impact and Financial technical support doesn’t support.

The formation of new businesses that energize and rejuvenate the economy depends on entrepreneurship. The engine that drives the industrial enterprise and economic process is entrepreneurship. However, BSCIC’s contribution to the growth of small businesses and entrepreneurship in Bangladesh suggests that it might be a leading government agency in charge of the nation's fast-growing cottage and small-business industries. Under the assistance of BSCIC, the nation has produced a large number of entrepreneurs and businesses. Considering this, the study has revealed the assistance of government to the entrepreneurs of BSCIC. Including the result of this study indicates that the assistance of the Government is the key factor in the development of this area entrepreneurship. In this regard,

SMEs can still be the key driver for financial gain and employment generation in Bangladesh. However, its impact in the longer-term for entrepreneurship seems to be very bright. Entrepreneurship is supported by the government, business community, educational institutions, society, and businesses in the age of the entrepreneur. To improve the standard of living for people in our nation, the growth of SMEs in Bangladesh is urgently needed. The raw material is necessary for any business. However, the non-availability of raw materials in the course of their preventive value has weakened the viability of those industries. Experience bears proof that rural industries with employment potential cannot be sustained for long unless a powerful raw material-base is formed in rural areas itself. Therefore, government should take urgent policy to strengthen the raw material base in rural areas.

In addition, this sector also needs to be provided with the re-fixation of VAT, turnover tax, excise duty, income tax, and waive all kinds of tax related raw materials so that it can gain momentum in the free market competition. The entrepreneurs suffer from up-gradation of technology, reorganization of tooling. Therefore, government should come forward and take necessary steps to make available these technologies in local market and put away all taxes on these technologies in order that entrepreneurs can afford this kind of technologies. The entrepreneurs also suffer from scarcity of working funds. Most of the time, entrepreneurs get their working fund from their own and sometimes gain fund from various organizations like
government banks, private banks and some other financial organizations. Both government and private sectors should consider finance as a lubricating substance for fitting associated running a business. Funds, therefore, ought to be created out there on time at soft terms and conditions to those that need it.

On the other hand, high level of skill and experience is needed to do a business. So various specialized trainings courses and workshop should be arranged for BSCIC entrepreneurs. It will improve their capabilities, knowledge and skills about how to pick and keep them updated in their business. Infrastructural problems like inadequate land, insufficient gas supply to the industrial unit and electricity problems, which are faced by the entrepreneurs during starting and running a business. In this case, our recommendation is that government should make sure adequate gas supply to every industrial unit before starting and after an operation.

Moreover, set up a frequent electricity supply route to each BSCIC estate so order that uninterrupted electricity supply is often ensured and land related facilities should improve. An increase of commercial production and productivity within the Small Scale Industries (SCI) sector. In this case, the government can provide incentives to the entrepreneurs who are working in this sector and matching of buyers orders to sellers. Besides, this small and cottage industries often faces the problem of lack of employment facilities so government can expands and diversifies more of Small Scale Industries all over the country so that it can create of more employment opportunities. Both private and public sectors can work for this specially to save this industry, the government needs to be more responsible and supportive of policies.

CONCLUSIONS

Small enterprises, which operate in both developed and developing nations' urban and rural areas, constitute the backbone of the market-based economy. The reason is it helps in increasing production, create more employment facilities and last of all advanced welfare for the people. Therefore, it can say that this industry not only reduce poverty but also increase the people's quality of life who are working this sector. In this case, government of any country should give emphasize and take every essential steps to improve this sector. The best way to maintain competition in our capitalist society, however, has always been recognized as the existence of a strong, healthy small business community. This prevents monopolistic control of any industry and ensures that the population will benefit from competition through lower prices and higher-quality goods.
This study can be helpful for developing countries for future development or future planning of SME related entrepreneur’s business practices and expected to bring in more awareness between entrepreneurs and Government. However, much more research is still required in this field, particularly from the perspective of Bangladesh. While the work being done to advance entrepreneurship in Tangail is challenging, more study should be done to stimulate the sector's expansion. Moreover, there are scope of further study to consider more sample size, especially sample including from the BSCIC situated in other regions of Bangladesh.
REFERENCES


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