Entrepreneurial Behaviour and Small Scale Industries: An Empirical Study

*N S Bisht **Himani

The current study aims at finding out the impact of origin of profession, demographic factors and their significance on the level of business, it also focuses on opinion on business related problems and suggestion to improve the business related to small scale industries. Primary data was collected by conducting direct interviews using questionnaire. A sample of 200 small scale industries from Nainital District was selected randomly. The primary data collected was analysed using appropriate statistical tools. The secondary data was collected from journals, published and unpublished reports by government bodies and organizations. The study shows the strategic significance of SSIs in manufacturing sector, it was observed that different forms of enterprises i.e. sole proprietorship, partnership, public limited company and family business faced similar business related problems in setting up an enterprise. Demographic factors like age and gender, origin of business have no significant association with the level of business activity but education influences the performance level of the SSIs in a positive manner. There was no significant use of suggestion to improve business for various forms of enterprise, which means that entrepreneurs operating a firm as sole proprietorship continued operating it as that particular form of an enterprise and suggested no change in the running in business dealings if transformed to other form of enterprise.

Introduction:

Entrepreneurial vibrancy is a critical component for encouraging innovation and ensuring the growth of economy. Ideas, inventions and innovations are the important segments which nourish economic growth. Entrepreneurship contributes significantly to economic development which is an outcome of purposeful human activity. It is a purposive and dynamic process undertaken to originate/ commence and perpetuate a profitable business. Entrepreneurship is a factor of production which is blended with abilities, combination of qualities and attributes that helps an entrepreneur to innovate, plan, take decision and invest under the conditions of risk and uncertainty. It is widely accepted that the availability of entrepreneurship is the most important determinant in the process of industrialisation and both industrialization and entrepreneurship are used interchangeably The development of entrepreneurship has become imperative along with economic development, as both have a multiplier effect. It accelerates employment generation, empower rural entrepreneur, ensure more equitable distribution of income, provide balanced industrial development and facilitates an effective mobilisation of resources. (Desai, 2011, Khanka 1999)

Achieving higher growth and retaining favourable levels of employment, developing entrepreneurship through Small Scale Industries (SSI) is more favourable. Entrepreneurship and development of small scale industry has become a centre of planning process in most developing countries. It helps in solving many chronic economic problems (Chhabra, 2012; Khanka, 1999)

Small enterprises hold a prime importance in our economy, as they are labour intensive, create wide range of job opportunities, provide higher productivity as a result of low investment per worker. There is no heavy investment, no long gestation period and mostly are environment friendly.

Defining Small Scale Industries:

SSI being the backbone to entrepreneurship development, it has done considerably well and has enabled the country to achieve industrial growth and diversification. Thus, SSIs need to be promoted and developed to encourage self employment as a means of job-creation and to promote entrepreneurship.

^{*}Professor, Department of Commerce, Kumaun University, Nainital (UK)

^{**}Research Scholar, Department of Commerce, Kumaun University, Nainital (UK), E-mail- himani.cypress@gmail.com

In India, the definition of small scale industry has changed considering the pace with which economic development is taking place. The Second Five Year Plan was first to lay down the yardstick for the small scale industry with respect to purchase of land, building, plant, machinery and strength of the labour force.

However, for the purpose of this study working definition of the small scale enterprise was adopted according to the notification of Ministry of SSI, Government of India, where SSI is defined as any enterprise involved in producing goods related to industries in the First Schedule to Industries Act, 1951. These organisations have an investment limit in plant and machinery of above twenty-five lakh rupees but upto five crore rupees only.

However, the government has approved and issued a manifesto redefining MSME (i.e., micro, small and medium enterprises) on the basis of annual returns. Herein after, "enterprises having an annual turnover of five crore rupees is categorised as a microenterprise, those ranging between five crore and seventy five crore rupees as small and those with seventy five and two hundred and fifty crore rupees annual turnover are categorised as medium-sized enterprises.

This modification will enhance entrepreneurial activity and will facilitate in efficient working, eliminate extraneous inspections and enable the authorities to use sales data from the GST Network to verify claims of businesses.

Literature Review:

Shapero & Sokol (1982) examined, why individuals in developing economy have more inclination towards entrepreneurship. Based upon the literature related to self-efficacy and individual initiatives, he concluded that entrepreneurship education has positive and significant influence on entrepreneurial intentions.

Adegbite, (2006) evaluated the impact of entrepreneurial features and drivers that influence their rendition in optimising the business performance. Data from 100 manufacturing SSIs were randomly selected, the result indicated that human resource factors and the sales revenue were found to be inadequate and severely inhibited the potential of the enterprise for growth and performance. However, length of years in business and working experience were found to have positive contribution on their performance. The study concluded that the attributes like revenue, demand for efficiency only and product quality information seeking were the most critical factors in the poor performance of the small-scale manufacturing and need to be developed in the entrepreneurs through training.

Desai (1979, 1988) examined the problems and prospects of small industries. According to him, small industries face a lot of problems related to finance, marketing and modernisation. The authors propose the methods and resources to overcome all the hindrances through co-ordinated efforts of the government, the financial institutions and small entrepreneurs.

There are diverse research and studies dealing with various aspects of entrepreneurship and small scale industries. This field of study is so extensive that dynamic views of various kinds are in existence regarding financial, production, marketing, personnel management, government policies etc regarding the small scale industries. Virtually every aspect of small scale industries is studied and concrete results are derived, there is still scope for further research.

Research Methodology:

Research Design: The present study is empirical in nature based on descriptive research design. The objective of the research is to study and examine the growth and development of small scale enterprises. In this study, quantitative and qualitative data were collected simultaneously from small scale entrepreneurs. This survey has been conducted under natural (un-manipulated) field conditions.

Study Area: The study area concentrates particularly in the Nainital district because of its uniqueness amongst other districts of Kumaun, as it comprises both urban (plain region) and hill (rural region). Besides, Nainital district has varied topographical zones ranging from tropical, subtropical, temperate, sub-alpine to alpine zones.

The district has eight development blocks namely Ramnagar, Kotabagh, Ramgarh, Bhimtal, Betalghat, Dhari, Okhalkanda and Haldwani. Five blocks out of eight fall in the hilly area. The district being rich in over all resources necessary for industrial development has vast potential for new MSMEs. Industries that can be developed are developed include flour and rice mills, bakery and confectioneries, namkeen making industries, iron and steel fabrication, diamond cutting and polishing, fibre and glass industries, oil extraction industries, automobile assembling, candle making, printing press, wooden and steel furniture, fruit and food processing industries, handicrafts and handlooms, electronic based industries, enterprises based on soap stone and magnesite, industries based on aromatic and medicinal herbs and gems and jewellery, etc.

Nainital district has a broader spectrum of representative samples with varying commercial and industrial background. During the survey, it was observed that major concentration of industries were in plain blocks of the district i.e. Haldwani, Ramnagar and Kotabagh whereas the hilly blocks of the region had low industrial involvement and suffered serious setbacks due to lack of basic infrastructural facilities related to industry and other services sectors.

Data Source and Sample Size: The data has been collected by a planned personal interview and well structured questionnaire was framed with a view to gather information on 200 small scale enterprises operating in the development of small scale industries of Nainital District of Kumaun Division engaged mainly in manufacturing, processing, chemical, servicing, automobile parts, electric goods/appliances, domestic items and computer related business etc. The secondary data was collected through Journals, published and unpublished reports by government bodies and organizations along with this related websites were also visited. The details regarding the industries were obtained from the Directorate of Industries Centre, Haldwani.

Sampling Techniques and Data Analysis: Primary data has been collected through random sampling technique. Responses from respondents have been coded and tabulated in SPSS. Hypothesis formulated has been tested applying different statistical test.

Research Objectives:

The existing review of literature has helped to frame the following objectives of the study:

- To trace the origins of entrepreneurs.
- To study the effect of demographic factors on level of business.
- To examine the difficulties faced by the entrepreneurs in promoting their business enterprises.

Hypotheses:

 H_{01} :There is no significant difference between origin of profession and their opinion about business related problems.

H₀₂:There is no significant association between demographic factors of an entrepreneur and level of his business.

- H_{02A}: There is no significant association between age of an entrepreneur and level of his business.
- H_{02B}:There is no significant association between gender of an entrepreneur and level of his business
- H_{02C} :There is no significant association between level of education of an entrepreneur and level of his business.
- H₀₃:There is no significant use of suggestion to improve business for various forms of enterprises.

Analysis And Discussion:

For this study, hypothesis testing was conducted to find out whether there is any significant relationship between various independent variables like gender, education groups etc. and the problems of the business, levels of business. For this purpose various hypotheses have been formulated and tested using Chi-Square and ANOVA.

H₀₁: There is no significance different between origin of profession and their opinion about business related problems.

In this hypothesis origin of profession means how any trade or occupation transforms itself, as in the study how did the respondents took up entrepreneurship as a profession while they originally belonged to trader, farmer, artisan, warrior, priest and any other classes of profession. The business related problems for the study include availability of raw material, skilled labour, transportation, power, government policies, price of the product, competition etc. This hypothesis is tested with the help of ANOVA.

Table 1: ANOVA table for Business Problems

| ANOVA | | | | | | | | |
|--|----------------|--------|-----|------|-------|------|--|--|
| Sum of Squares of Square o | | | | | | Sig. | | |
| Origin of Profession | Between Groups | 5.172 | 15 | .345 | 1.168 | .300 | | |
| | Within Groups | 54.328 | 184 | .295 | | | | |
| | Total | 59.500 | 199 | | | | | |

Table 1, summarizes the results of an analysis of variance. Groups represent variation of the group means around the overall mean. Within Groups represents variation of the individual scores around their respective group means. Sig indicates the significance level of the F-test. Small significance values (<.05) indicate group differences, in this result of hypothesis test, the significance level is greater than .05 (.300>.05) means that opinion about the business problem is similar for different origin of profession i.e. Fcal (15, 184) = 1.168, p >.05.

Therefore, the null hypothesis is accepted stating that there is no significant difference between Origin of Profession and their opinion about business related problems H₀₂: There is no significant association between demographic factors of an entrepreneur and level of his business.

Level of business is defined in the context of the amount of initial investment, scope of operation, area of operation, number of employees. Age, Gender and Level of education are considered as demographic factors of the respondents. This has resulted in postulating sub-hypothesis as follows-

- H_{02A} :There is no significant association between age of an entrepreneur and level of his business.
- H_{02B} : There is no significant association between gender of an entrepreneur and level of his business.

 H_{opc} : There is no significant association between level of education of an entrepreneur and level of his business.

For this, level of business was categorized from various attributes stated in the questionnaire. All these attributes were added to obtain a comprehensive score of each respondent. The maximum score obtained was 25 and the minimum score obtained was 6. Accordingly, three intervals were developed between 6 and 25 on the basis of their scores as below and respectively were defined by three categories (namely Small level business, Medium level business and Large level business)

Considered scale of business as Small level business for the range -

Considered scale of business as Medium level business for the range-13-19.

Considered scale of business as Large level business for the range-

H_{02A}:There is no significant association between age of an entrepreneur and level of his business.

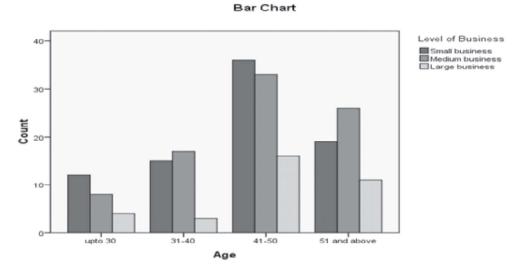


Figure 1: Graphical frequency distribution of age and level of business.

Table 2: Age * Level of Business Cross tabulation

| | | | Level of Bu | | | |
|----------------|----------|-------------------------------|-------------------|--------------------|-------------------|--------|
| | | | Small business | Medium business | Large business | Total |
| Age (in years) | up to 30 | Count | 12 | 8 | 4 | 24 |
| | | Expected Count | 9.8 | 10.1 | 4.1 | 24.0 |
| | | % within Age | 50.0% | 33.3% | 16.7% | 100.0% |
| | | % within Level of Business | 14.6% | 9.5% | 11.8% | 12.0% |
| | | % of Total | 6.0% | 4.0% | 2.0% | 12.0% |
| | 31-40 | Count | 15 | 17 | 3 | 35 |
| | | Expected Count | 14.4 | 14.7 | 6.0 | 35.0 |

| | | % within Age | 42.9% | 48.6% | 8.6% | 100.0% |
|-------|----------------------------|-------------------------------|--------|--------|--------|--------|
| | | % within Level of Business | 18.3% | 20.2% | 8.8% | 17.5% |
| | | % of Total | 7.5% | 8.5% | 1.5% | 17.5% |
| | 41-50 | Count | 36 | 33 | 16 | 85 |
| | | Expected Count | 34.8 | 35.7 | 14.4 | 85.0 |
| | | % within Age | 42.4% | 38.8% | 18.8% | 100.0% |
| | | % within Level of Business | 43.9% | 39.3% | 47.1% | 42.5% |
| | | % of Total | 18.0% | 16.5% | 8.0% | 42.5% |
| | 51 and above | Count | 19 | 26 | 11 | 56 |
| | | Expected Count | 23.0 | 23.5 | 9.5 | 56.0 |
| | | % within Age | 33.9% | 46.4% | 19.6% | 100.0% |
| | | % within Level of Business | 23.2% | 31.0% | 32.4% | 28.0% |
| | | % of Total | 9.5% | 13.0% | 5.5% | 28.0% |
| Total | Count | 82 | 84 | 34 | 200 | |
| | Expected Count | 82.0 | 84.0 | 34.0 | 200.0 | |
| | % within Age | 41.0% | 42.0% | 17.0% | 100.0% | |
| | % within Level of Business | 100.0% | 100.0% | 100.0% | 100.0% | |
| | % of Total | 41.0% | 42.0% | 17.0% | 100.0% | |

The cross tabulation represented by Table 2 contains the number of cases that fall into each combination of categories i.e. Age and Level of business. It shows that 82 respondents i.e. 41% of total respondents are operating 'small level' businesses whereas 84 respondents i.e. 42% are having the 'middle level' businesses. Only 43, i.e. 17% of the total respondents have been successful to reach at 'large level' of business. On further analyzing the table, it is observed that 83.3% of the younger respondents (i.e. up to 30 years) have been successful in reaching up to the 'middle level' of business whereas only 16.7% have been able to take their business to 'large level'. Similarly, 32 out of 35 that are 91.4% under the

second category (i.e. 31-40) have been running the enterprises up to the middle level and only 8.6% are able to reach to large level of business. Respondents of third and fourth categories i.e. respondents whose age lie in the range of 41-50 years and respondents who lie in the range of '51 years and above' also follow the same pattern. Here also, it is observed that 81.2% (i.e. 69 out of 85 respondents) and 80.3% respectively have been successful to take their respective businesses up to the middle level and comparatively a smaller percentage i.e., 18.8% and 19.6% of respective categories succeeded in taking their enterprises to 'large level'

Table 3: Chi-square test for association of age with level of business

| | Value | Df | Asymp. Sig (2-sided) |
|------------------------------|--------|----|----------------------|
| Pearson Chi-Square | 4.340a | 6 | .631 |
| Likelihood Ratio | 4.675 | 6 | .586 |
| Linear-by-Linear Association | 1.899 | 1 | .168 |
| N of Valid Cases | 200 | | |

The calculated value of the chi-square statistic in the table is 4.340 (and the degrees of freedom) is the significance value. This value is highly non-significant (p > .05), indicating that age of the respondent does not affect the success of business.

The non-significant result indicates that there is no association between the age of the respondent and the level of business. What is meant by an association is that the pattern of responses under conditions is significantly different which is not the case here. Hence, based on discussions made above and by making the comparison of values, the null hypothesis cannot be rejected at 5 per cent level of significance and concluded that there is a non-significant association between the 'Age' and 'Level of business' $\chi 2 = 4.34$, p>.05.

H_{02B}: There is no significant association between gender of an entrepreneur and level of business.

Second category i.e. Gender has been categorized into two categories i.e. male and female.

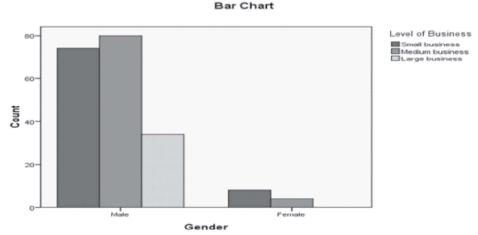


Figure 2: Male/female frequencies at different levels of business

Table 4: Gender * Level of Business Cross tabulation

| | | | Level of Bu | asiness | | |
|--------|--------|-------------------------------|-------------------|--------------------|-------------------|--------|
| | | | Small business | Medium business | Large business | Total |
| Gender | Male | Count | 74 | 80 | 34 | 188 |
| | | Expected Count | 77.1 | 79.0 | 32.0 | 188.0 |
| | | % within Gender | 39.4% | 42.6% | 18.1% | 100.0% |
| | | % within Level of Business | 90.2% | 95.2% | 100.0% | 94.0% |
| | | % of Total | 37.0% | 40.0% | 17.0% | 94.0% |
| | Female | Count | 8 | 4 | 0 | 12 |
| | | Expected Count | 4.9 | 5.0 | 2.0 | 12.0 |
| | | % within Gender | 66.7% | 33.3% | .0% | 100.0% |
| | | % within Level of Business | 9.8% | 4.8% | .0% | 6.0% |
| | | % of Total | 4.0% | 2.0% | .0% | 6.0% |
| Total | _ | Count | 82 | 84 | 34 | 200 |
| | | Expected Count | 82.0 | 84.0 | 34.0 | 200.0 |
| | | % within Gender | 41.0% | 42.0% | 17.0% | 100.0% |
| | | % within Level of Business | 100.0% | 100.0% | 100.0% | 100.0% |
| | | % of Total | 41.0% | 42.0% | 17.0% | 100.0% |

Table 4 shows that out of total 200 respondents 188 are males that constitute 94% of the respondents and only 12 i.e. 6% of total respondents are females. This shows that data is highly skewed towards a particular category. It is also evident from the table that major percentage of female entrepreneurs i.e. 66.7% have been managing the business of 'low-

level' and no woman entrepreneur has succeeded in operating a 'large level' business. Even in case of male category, major proportion i.e. 82% are operating upto the level of 'middle level' of business and only 18% are able to take their enterprises at 'large level'.

Table 5: Chi-square test for association of gender with levels of business

| | Value | df | Asymp. Sig. (2-sided) |
|------------------------------|--------|----|-----------------------|
| Pearson Chi-Square | 4.450a | 2 | .108 |
| Likelihood Ratio | 6.195 | 2 | .045 |
| Linear-by-Linear Association | 4.426 | 1 | .035 |
| N of Valid Cases | 200 | | |

a. 2 cells (33.3%) have expected count less than 5. The minimum expected count is 2.04.

The value of the chi-square statistic is 4.450. This value is highly non-significant (p > .05), indicating that gender of the respondent does not affect the success of business.

The non-significant result indicates that there is no association between the 'gender' of the respondent and the 'level of business'.

Hence, based upon discussion made above and by making the comparison of values, the null hypothesis cannot be rejected at 5 percent level of significance and concluded that there is a non-significant association between the 'Gender' and ' Level of business' $\chi 2 = 4.450$, p>.05

 H_{02C} : There is no significant association between level of education of an entrepreneur and level of his business.

Bar Chart

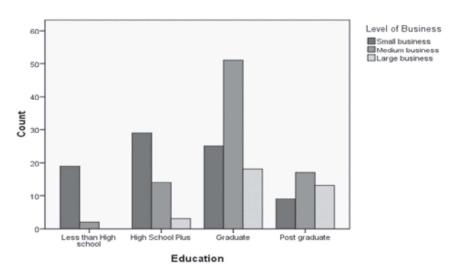


Figure 3: Graphical frequency distribution of education and levels of business

Table 6: Education * Level of Business Cross tabulation

| | | | Le | Level of Business | | |
|-----------|-----------------------|----------------------------|-------------------|--------------------|-------------------|--------|
| | | | Small business | Medium business | Large business | Total |
| Education | Less than High school | Count | 19 | 2 | 0 | 21 |
| | | Expected Count | 8.6 | 8.8 | 3.6 | 21.0 |
| | | % within Education | 90.5% | 9.5% | .0% | 100.0% |
| | | % within Level of Business | 23.2% | 2.4% | .0% | 10.5% |
| | | % of Total | 9.5% | 1.0% | .0% | 10.5% |
| | High School Plus | Count | 29 | 14 | 3 | 46 |
| | | Expected Count | 18.9 | 19.3 | 7.8 | 46.0 |
| | | % within Education | 63.0% | 30.4% | 6.5% | 100.0% |
| | | % within Level of Business | 35.4% | 16.7% | 8.8% | 23.0% |
| | | % of Total | 14.5% | 7.0% | 1.5% | 23.0% |

| Graduate | Count | 25 | 51 | 18 | 94 |
|---------------|----------------------------|--------|--------|--------|--------|
| | Expected Count | 38.5 | 39.5 | 16.0 | 94.0 |
| | % within Education | 26.6% | 54.3% | 19.1% | 100.0% |
| | % within Level of Business | 30.5% | 60.7% | 52.9% | 47.0% |
| | % of Total | 12.5% | 25.5% | 9.0% | 47.0% |
| Post graduate | Count | 9 | 17 | 13 | 39 |
| | Expected Count | 16.0 | 16.4 | 6.6 | 39.0 |
| | % within Education | 23.1% | 43.6% | 33.3% | 100.0% |
| | % within Level of Business | 11.0% | 20.2% | 38.2% | 19.5% |
| | % of Total | 4.5% | 8.5% | 6.5% | 19.5% |
| Total | Count | 82 | 84 | 34 | 200 |
| | Expected Count | 82.0 | 84.0 | 34.0 | 200.0 |
| | % within Education | 41.0% | 42.0% | 17.0% | 100.0% |
| | % within Level of Business | 100.0% | 100.0% | 100.0% | 100.0% |
| | % of Total | 41.0% | 42.0% | 17.0% | 100.0% |

The cross tabulation represented by table 6 contains the number of cases that fall into each combination of categories i.e. Education and Level of business. It shows that 27, 46, 94 and 39 respondents i.e. 10.5%, 23%,47% and 19.5% of total respondents are having education 'upto high school', 'high school plus', 'graduate' and 'post-graduate' respectively. It may be inferred from this information that entrepreneurs with the education upto level of graduation are

the most successful one. It is also observed that no entrepreneur with the education level 'upto high school' has been able to make to the level of 'large businesses'. Analysis of the third column of the table makes it evident that as the level of education increased the percentage of the respondents in that category are falling in the 'large level' (i.e., 0%, 6.5%, 19.1%, 33.3%).

Table 7: Chi-square test for association of education with levels of business

| | Value | Df | Asymp. Sig. (2-sided) |
|------------------------------|---------|----|--------------------------|
| Pearson Chi-Square | 48.842a | 6 | .000 |
| Likelihood Ratio | 51.514 | 6 | .000 |
| Linear-by-Linear Association | 38.373 | 1 | .000 |
| N of Valid Cases | 200 | | |

a. 1 cells (8.3%) have expected count less than 5. The minimum expected count is 3.57.

The value of the chi-square statistic is 48.842. This value is highly significant (p < .05), indicating that education of the respondent does affect the success of business. The significant result indicates that there is association between the education of the respondent and the level of business.

Hence, based on discussion made above and by

making the comparison of values, the null hypothesis can be rejected at 5 per cent level of significance and concluded that there is a significant association between the 'Education' and ' Level of business' $\chi 2 = 48.842$, p<.05

H03:There is no significant use of suggestion to improve business for various forms of enterprises.

Table 8: One-Sample Statistics

| One-Sample Statistics | | | | | | | |
|---------------------------------------|-----|-------|--------|-------|--|--|--|
| N Mean Std. Deviation Std. Error Mean | | | | | | | |
| Suggestions to improve (B11) | 200 | 32.41 | 50.349 | 3.560 | | | |
| Form of Enterprise(C4) | 200 | 1.70 | 1.186 | .084 | | | |

Table 8 shows the one sample statistics of form of enterprise and suggestions to improve. Here form of enterprise includes sole proprietorship, partnership firms, private ltd companies, public ltd companies and family business. Table also shows the standard deviation and mean values for the variables. It also represents the number of respondents participated.

Table 9: One-Sample Test

| One-Sample Test | | | | | | | | |
|------------------------------|------------|-----|--------------------|--------------------|---|-------|--|--|
| | | | Test Va | alue = 0 | | | | |
| | t | df | Sig. (2-tailed) | Mean Difference | 95% Confidence Interval of the Difference | | | |
| | | | | | Lower | Upper | | |
| Suggestions to improve (B11) | 9.103 | 199 | .000 | 32.410 | 25.39 | 39.43 | | |
| Form of Enterprise(C4) | 20.26 8 | 199 | .000 | 1.700 | 1.53 | 1.87 | | |

Table 9 shows that the mean differences in the population means for B11and C4 are 32.41 and 1.7 ("Mean Difference" column) and the 95% confidence intervals (95% CI) of the difference are 25.39 and 1.53 to 39.43 and 1.87 ("lower" to "upper" columns). For the measures used, it will be sufficient to report the values to 3 decimal places.

The significant value of parameters such as form of enterprise and suggestions to improve, for both these parameters in table 9 shows that all significance values are 0.000, which is less than 0.05 (p value). This means that there is no significant use of suggestions to improve business for various forms of enterprise, which means that entrepreneurs operating a firm as sole proprietorship continued operating it as that particular form of an enterprise and suggested no change in the running in business dealings if converted/transformed to other form of enterprise.

Conclusion and Recommendations:

Studies under review of literature have shown that entrepreneurship is usually common can occur to all forms of businesses and corporations, but SSIs prove to be the driving force in the economy and beneficial to entrepreneurs as they are:

- Pre-requite of balanced development.
- Important weapon for the rural removal of poverty and for improvement of socio-economic condition of the people.
- Widen the entrepreneurial base.
- Use local raw material and indigenous skills.
- More labour intensive and provide employment opportunities.
- Lower gestation period.
- Check on excessive urbanisation
- Taping rural savings.
- Bring about self-reliance and satisfaction but

will also prevent concentration of wealth and economic power in the hands of few.

- Generate production at low capital cost.
- Provide ancillary support to medium and large industries.
- Occupy a significant place in terms of production, employment, export, earning revenue and capital formation
- Create economic stability in society by diffusing prosperity and by checking the expansion of monopolies

This empirical study has focused on the growth and development of entrepreneurship with reference to manufacturing small scale industries in Nainital district of Kumaun division of Uttarakhand.

Considering the strategic significance of SSIs in manufacturing sector, it was observed that different forms of enterprises i.e. sole proprietorship, partnership, public limited company and family business, faced similar business related problems in setting up an enterprise. Demographic factors like age and gender, origin of business have no significant association with the level of business activity but education has a significant and positive influence on the performance level of the SSIs. There was no significant use of suggestions to improve business for various forms of enterprise and suggested no change in the running in business dealings if converted/transformed to other form of enterprise.

Recommendations:

The government entity should craft policies and regulations to create suitable environment for development of SSIs in the hilly regions of the State of Uttarakhand. This will ensure sustainable economic growth in Uttarakhand. Though entrepreneurs with higher qualifications performed well but they lacked in innovation. It was observed during the survey that the entrepreneurs used traditional means for operating the enterprise, maximum firms had no knowledge and means for marketing their

product and they lacked efficient human resource management system. Thus, there is a need to design and develop training assessment centres to provide entrepreneurs with the required knowledge and skills to lead the firm. This will facilitate in effective competitive positioning of the products manufactured. There are various schemes like Nav Disha Yojana, Mahila Udyami Visesh Protshan Yojana, Chief Minister Swarojgar Yojna, Start Up Policy and Chief Minister's Self Employment Scheme run by the State Government for promoting and encouraging entrepreneurship among women and youths. The respondents were asked about the various government schemes for promoting and encouraging entrepreneurship and surprisingly they were unaware about such schemes. It was observed during the survey, that the youth and women participation in entrepreneurship was negligible. Therefore, there is a need to enlighten the upcoming entrepreneurs and empower the youth and women to take up self employment initiative to set up SSIs. Government policies should be widely spread to the entrepreneurs. In addition to this, special camps should be organised by the District Industries Centre from time to time especially in hilly rural areas to make people aware about the government policies and facilities provided to the small scale entrepreneurs to encourage entrepreneurship in the region.

Future Scope for Study:

Although this study provided a general picture on development of entrepreneurship in relation to demographic factors, form of enterprises, origin and business related problems focusing on manufacturing sector, it can be further developed to enhance its contribution to service sector and medium and large scale enterprises. There is still abundant scope for further research on the topic. It can be extended to a larger geographical area along with other factors like socio-cultural factors, exposure to industry and trade and problems faced can be dealt with.

Adegbite, S. A (2006). Evaluation of the Impact of Entreprenurial characteristics on the performance of Small Scale Manufacturing

- characteristics on the performance of Small Scale Manufacturing Industries in Nigeria. *Jornal of Asia Entrepreneurship and Sustainability*. 3(1): P.113-135
- Agarwal, P. (2016). Make in India-Transforming SMEs in India. *Laghu Udyog Samachar*. P. 29.
- Chhabra, T.N (2012). Entrepreneurship Development, New Delhi:Sun India Publications. P. 20.6-20.13
- Desai, V (1979). Management of Small Scale Industry. New Delhi: S.Chand and Co ltd. p 112
- Desai, V. (2011). Small-Scale Enterprises and Entrepreneurship Ecosystem. New Delhi: Himalaya Publishing House. P. 5-11
- Johnson, D. (2001). What is Innovation and Entrepreneurship? Lessons for large organisations. *Industrial and Commercial Training*. 33(4) .P.135-140.
- Marina Z. Solesvik. (2016). Entrepreneurial self-efficacy, personal initiative and entrepreneurial intentions: comparison of emerging and developed economies.
- Paper presented at the 3d International Conference "Gsom Emerging Markets Conference 2016", St.Petersburg, Russia.
- Plotnikova et.al. (2016). Process Innovation in Small Business: the self-employed as entrepreneurs. Small Business Economics. Vol.47 (3). P 1-16.
- Pillai, K.R.(1995). SSI in the new economic setting Tamil Nadu Small and Tiny Industries Association. *Monthly Journal*. P-7

- Roy,T and Sander, W. (2004). Entrepreneurship, small business and economic growth. *Journal of Small Business and Enterprise* Development. 11(1). P.140-149.
- Shapero, A. & Sokol, L. (1982). The social dimensions of entrepreneurship. In C. Kent, D. Sexton, & K. Vesper (Eds.), The encyclopedia of entrepreneurship (pp. 72–90). Englewood Cliffs: Prentice-Hall.
- SIDO Report on Functions and Activities. (1992-93). Policy Measures for promoting and strengthening Small, tiny and Village Industries. Department of Small industry: Government of India.

Websites:

- http://dcmsme.gov.in/ssiindia/defination_msme.htm. Retrieved on Feb 01 2018
- https://economictimes.indiatimes.com/small-biz/startups/ newsbuzz/rbi-announces-relief-measures-for-gst-affectedmsme-sector/articleshow/62823613.cms. Retrieved on Feb 08 2018
- https://www.moneycontrol.com/news/india/msmes-to-leadconsolidation-phase-of-economy-says-arun-jaitley-2499123. html. Retrieved on Feb 03, 2018
- https://swarajyamag.com/insta/to-boost-ease-of-doing-businessgovernment-moves-to-redefine-msmes-based-on-annualrevenue. Retrieved on Feb 08 2018
- https://economictimes.indiatimes.com/small-biz/startups/ newsbuzz/rbi-announces-relief-measures-for-gst-affectedmsme-sector/articleshow/62823613.cms. Retrieved on Feb 08 2018