

A Study of Entrepreneurial Management skill for Small Scale Industry

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Introduction - An entrepreneur is one of the important segments of economic growth. Basically he is a person responsible for setting up a business or an enterprise. In fact he is one who has the initiative, skill for innovation and who looks for high achievements. He is a catalytic agent of change and works for the good of people. He puts up new green field projects that create wealth, open up many employment opportunities and leads to the growth of other sectors.

The term “entrepreneur” was applied to business initially by the French economist, Caltillon, in the 18th century; designate a dealer who purchases the means of production for combining them into marketable products. Frenchman J.B. Say expanded Cantillon’s ideas and conceptualized the entrepreneur as an organizer of a business firm, central to its distributive and production functions. Beyond stressing the entrepreneur’s importance to the business, Say did little with his entrepreneurial analysis.

2. Management: Giving precise definition of management is not so simple because the term management is used in a variety of ways. Being a new discipline it has drawn concepts and principles from a number of disciplines such as Sociology, Economics, Psychology, Statistics, Anthropology and so on. The contributors from each of these groups have viewed management differently. For example economists have treated management as ‘a factor of production’; Sociologists treated it as ‘a group of persons’. Hence, taking all these view points, it becomes difficult to define management in a comprehensive way and no definition of management has been universally accepted. Many definitions were given by various contributors; one popular definition is given by Mary Parker Follet. According to Follet management is ‘the art of getting things done through people’. This definition clearly distinguishes between manager and other personnel of the organization.

3. There are four views of management:

1. Management is a process: A process is defined as systematic method of handling activities. Often we hear the statements “that company is well managed” or “the company is miss-managed”. These statements imply that management is some type of work or set of activities, these activities sometimes performed quite well and some times not so well.

These statements imply that management is a process involving certain functions and activities that managers perform.

2. Management is a discipline: Discipline refers to the field of study having well defined concepts and principles. Classifying management as discipline implies that it is an accumulated body of knowledge that can be learnt. Thus, management is a subject with principles and concepts. The purpose of studying management is to learn how to apply these principles and concepts at right circumstances at the right time to produce desired result.

3. Management is a human activity: If you say that “the restaurant has an entirely new management” or “He is the best manager I have worked for”, you are referring to the people who guide, direct and thus manage organizations. The word ‘management’ used here refers to the people who engage in the process of management. Managers are responsible for seeing that work gets done in organization.

4. Evolution of the Concept of Entrepreneurship:

The real concept of “entrepreneur” and the “entrepreneurship” have gone through various stages before they came to signify the content being put into them now. Various thinkers have defined the term in a variety of ways. In order to understand the phenomenon of entrepreneurship as whole, it is worthwhile to analyze these definitions and views independently. The word “entrepreneur” is derived from the French verb “entreprendre”, means “to undertake”. The word entrepreneur has been in use since the sixteenth century. Kilby has linked the entrepreneur with a rather large and very important animal called “Heffalump” hunted by many individuals and have variously described him, but wide disagreements still exist among them on his particularities (Peter Kilbly, 1971). The French men who organized and led military expeditions were referred to as “entrepreneurs” (Peterson, 1962). In economic theories, the concept of entrepreneur has been coined in terms of functions. Richard Cantillon, an Irishman living in France, was the first person to introduce the term ‘entrepreneur’, in the early 18th Century. He defined entrepreneur as an agent who buys factors of production at certain prices in order to combine them into a product with a view to selling it at uncertain prices in future (Kilbly, 1971).

5. DISTINCTION BETWEEN ENTREPRENEUR AND MANAGER:

Often the two terms namely entrepreneur and manager are considered as synonym. However the two give different meaning.

Points	Entrepreneur	Manager
Motive	The main motive of an entrepreneur is to start a venture for his personal gratification	Main motive of a manager is to render services in an enterprise already set by someone else
Status	Owner	Servant
Risk	Assumes risk and uncertainty	Manager does not bear any risk involved in enterprise.
Innovation	Entrepreneur himself thinks over what and how to produce goods to meet the changing needs of the customers. Hence he acts as innovator / change agent	A manager simply executes plans prepared by the entrepreneur.
Qualification	An entrepreneur needs to possess qualities and qualifications like high achievement motive, originality in thinking, foresight, risk bearing ability etc.	A manager needs to possess distinct qualifications in terms of sound knowledge in management theory and practice.

1. To promote the development of small enterprises that would encourage self - employment among potential entrepreneurs.
2. To understand the rule of Management in SSI.
3. To provide, in the rural areas, special programmer designed to stimulate new ventures and encourage expansion of existing activities of small Scale industry.
4. To develop entrepreneurial opportunities for potential entrepreneurs and upgrade managerial skills for existing entrepreneurs.
5. To encourages effective resources mobilization of capital and Management skill which might otherwise remain unutilized and idle.
6. To also induces backward and forward linkages which stimulated the process of economic development in the country.

7. Problems faced by Entrepreneurship

The many complexities involved in the starting on an entrepreneurial career and the problems faced by the existing entrepreneurs de-motivate and discourage the unemployed from taking up an entrepreneurial career. They would rather prefer wage/salary employment to entrepreneurship. There is a common belief that all business is risky, and there is much truth in it. Because the entrepreneur has to take countless decisions from among several possible alternatives in performing his task successfully. If his planning or estimation about the future were to go wrong, he will surely land in trouble. In developing entrepreneurship, we are faced with several problems, which are of individual, group, and institutional nature. However, ultimately it rests on the individual because it is he who has to take the initiative to take a decision to start and manage his enterprise. However, he also needs the approval and support of his kin, group or community. Some of the problems he is likely to encounter are lack of motivation, shyness and inhibition on his part, lack of finance for initial investment, lack of support from his family and community, lack of confidence in ones own abilities, ignorance of opportunities that he can avail himself of, lack of requisites, managerial and technical skills to start and manage his enterprise. Understandably, he is scared of the cumbersome and time-consuming process in establishing an enterprise. And even if he starts off on his enterprise, he is not sure of sustained support from the agencies mentioned above.

6. Objectives of the Study

Similarly, he may have to face some problems from the group to which he belongs such as, preference for traditional occupations and professions, lack of awareness or ignorance of his own potential, managerial and human, ignorance of alternative avocations; lack of freedom to choose on account of the influence of the local elite or the dominant caste. Besides, the group is likely to be tradition-bound, and its values are likely to continue with its institutionalized familiar occupations.

8. Concept and Role Small Scale Industries (SSI):

The definition of small scale industry varies from one country to another and from one time to another in the same country depending upon the pattern and stage of development, government policy and administrative set up of the particular country. There are at least 50 different definitions of SSI's found and used in 75 countries. In some of the countries of the world the criterion for defining small enterprise is related to the size of employment. For example in USA a small enterprise is one which has employment of 500 people. In UK it is less than 20 skilled labors, in Germany, less than 300 and in Italy less than 50 people. However, in most of the countries the definitions of SSI are related to either investment or size of employment or both. The definition of small scale industry is an important aspect of government policy as it identity the target groups. The first official criterion for small scale industry in India dates back to second five year plan when it was in terms of gross investment in land, building, plant, machinery and the strength of the labor force.

9. Overview Small Scale Entrepreneurship in India:

Entrepreneurship is regarded as one closely associated with economic history of India. The evolution of the Indian entrepreneurship can be traced back to even as early as Rig-Veda, when metal handicrafts existed in the society (Rao, 1969). This would bring the point home that handicrafts entrepreneurship in India was as old as the human civilization itself and was nurtured by the craftsmen as a part of their duty towards the society. Before India came into contact with the west, people were organized in a particular type of economic and social system of the village community. The Indian towns were mostly religious and the elaborated caste based diversion of workers consisted of farmers, artisans and religious priests (the Brahmins). The majority of the artisans were treated as village servants. Such compact system of village community, effectively protecting village artisans from the onslaughts of external competition, was one of the important contributing factors to the absence of localization of industry in ancient India.

10. Conclusion

The study concerns about small Scale entrepreneurship Management Skills , which he / she can utilize for the better working of the business, Thus better Management skills will lead to better working of the business in the present study have seen the role of entrepreneur and as a manager . It is impossible to imagine any development process without an entrepreneurial form, not only in capitalistic economy but even under the situation of state capitalism. The process of development can be visualized with two different types of entrepreneurial activities. The entrepreneurship can emerge either as a result of individual efforts or collective and cooperative efforts. The first type of entrepreneurship is the potent source of development. The experience of India has shown that the public or cooperative techno structures established in a backward region have initiated actively leading to the development of townships but have failed to initiate the process of development in the real terms. In such regions, since the public and cooperative techno structure has its own limitations, it is the local entrepreneurship that must get it involved in the process of development. The development would not gather momentum if much reliance is placed on the factors beyond local control. Therefore, it is absolutely necessary to break the vicious circle and initiate the process of development.

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