



# ENTREPRENEURSHIP DEVELOPMENT

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Dr. Narayana Srikanthreddy  
Pradyuman Sharma



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## CHAPTER 1

### AN ELABORATION OF THE ENTREPRENEURSHIP

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#### **ABSTRACT:**

Entrepreneurship is a dynamic and multifaceted field that embodies the spirit of innovation, risk-taking, and resourcefulness. It encompasses the process of identifying and creating new business opportunities, organizing and mobilizing resources, and assuming the associated risks in pursuit of economic and social value. Entrepreneurs are driven by a relentless passion for their vision, a willingness to challenge the status quo, and an ability to navigate through uncertainties and obstacles. This abstract explores the essence of entrepreneurship, highlighting its vital role in fostering economic growth, job creation, and societal advancement. It delves into the fundamental principles, skills, and mindsets required for successful entrepreneurship and examines the impact of technological advancements, globalization, and changing market dynamics on entrepreneurial endeavors. Furthermore, it sheds light on the transformative power of entrepreneurship in driving innovation, fostering creativity, and addressing societal challenges, making it a critical force for sustainable development in the 21st century.

#### **KEYWORDS:**

Business, Employment, Profit, Entrepreneurship, Management.

#### **INTRODUCTION**

Entrepreneur is defined as "the agent who purchases factors of production at certain prices for the purpose to combine them into a product with the intention of selling it at uncertain prices in the future" by Irishman Richard Cantillon, a resident of France. He gave an example of how a farmer might purchase at certain prices and sell at "uncertain" ones. As a result, by making some payments in anticipation of uncertain receipt, they act as "risk bearing" agents of production. An entrepreneur is a risk-taker who mixes manufacturing methods, seizes opportunities, and generates money and jobs. He combines factors of production and purchases them in order to Entrepreneurs, according to Knight, are a unique set of individuals who face uncertainty that cannot be insured against and is often referred to as incalculable. This may be lessened by using the insurance concept, where risk is defined as the known distribution of outcomes over a collection of cases. While uncertainty is a danger that cannot be quantified. According to Knight, the economic functionary who assumes the risk of uncertainty is the entrepreneur [1].

The French political economist Jean-Baptiste Say defined an entrepreneur as an organizer or coordinator who brings together numerous production inputs to create a product. He asserts that "an entrepreneur is the economic actor who connects all means of production, including land owned by one, labour performed by another, and money owned by a third, and so generates a good. He pays the land rent, labour salaries, and capital interest by selling the goods in the



market; the remaining amount is his profit. As a result, he moves economic resources from one place to another, increasing yield. An entrepreneur in an advanced economy is someone who "introduces something new to the economy, a method of production not yet tested by experience in the branch of manufacture concerned, a product with which consumers are not yet familiar, a new source of raw material or of new market, and the like," according to Joseph A. Schumpeter. He describes an entrepreneur as an inventor as a result. The person who introduces novel combinations of industrial methods, which he dubbed "innovation," and who thereby brings about discrete dynamic change. Any of the following sorts of innovation or novel combination are possible:

### **Introducing New Product:**

Putting into practice a new system for organizing an industry or reorganizing an industry. According to DiMasi, an entrepreneur is someone who recognizes a market opportunity and then has the desire, reason, aptitude, and motivation to gather resources to take advantage of it. A knowledgeable risk-taker who launches a company to pursue a goal, generate money, and be the master of his or her own material and spiritual well-being. According to the National Knowledge Commission of India, being an entrepreneur is defined as the professional application of knowledge, skills, and competencies and of monetizing a new idea, by an individual or a set of people, by launching an enterprise denovo or diversifying from an existing one, thus, to pursue growth while generating wealth, employment, and social good."

### **Characteristics of Successful Entrepreneur**

Azim Premji of Wipro, Dhiru Bhai Ambani of Reliance Industries Ltd., Narayan Murthy of Infosys Technologies Ltd., Deepak S. Parekh of HDFC, and many more are among the Indians who have become great businesspeople. We find their entrepreneurial biographies to be quite interesting. What factors contribute to an entrepreneur's success? They are a study in stark contrasts as a result. Some of them have advanced degrees, while others are college dropouts. Some people are self-made, while others inherit wealth. According to a study of the personalities of successful businesspeople, a successful entrepreneur has the following traits, which are stated below [2], [3]:

- i. Hard Work:** Hard labour cannot be substituted. Being willing to put in a lot of effort is one of the qualities of a successful entrepreneur.
- ii. Need for High Achievement:** A businessperson who dreams big does so. They have a strong ambition to accomplish greater corporate objectives. An increased desire for accomplishment serves as a motivating element for successful entrepreneurs. This keeps them actively engaged in achieving their lofty goals.
- iii. Independence:** One of the most prevalent traits of a successful business is independence. Most business owner's dislike working for others and abiding by their regulations. They like having the freedom to launch their own company.
- iv. Highly Positive:** The entrepreneur who succeeds is very upbeat. They constantly approach their actions and things with positivity.
- v. Foresight:** Entrepreneurs that are successful have the ability to think strategically and plan for the future, which helps them anticipate market trends and conditions. This trait

enables them to respond quickly and appropriately to changing market conditions, customer tastes and preferences, attitudes, technical advancements, etc. They are able to seize opportunities and turn obstacles into workable solutions.

- vi. **Organizer:** Entrepreneurs who are successful are excellent organizers. They are able to pool together all the resources needed to establish a company, create commodities, or provide services that are owned by several owners.
- vii. **Innovative:** The needs of consumers fluctuate throughout time. Entrepreneurs start research and innovation activities include launching new goods, finding new markets, new raw material sources, new methods of manufacturing, and reorganizing the firm to meet customer demands.
- viii. **Perseverance:** Miracles may happen with perseverance. Despite failure, people should never quit up. Even they gain knowledge from their mistakes. They put in all of their effort till they succeed. They eventually achieve success.
- ix. **Risk-bearer:** Entrepreneurs choose to take measured, reasonable risks as opposed to playing at random. They purchase manufacturing inputs at a set price and sell the finished product for an arbitrary cost.
- x. **Team Spirit:** Synergy is the consequence of a team's efforts. Entrepreneurs build teams and value camaraderie. Bringing people together is the beginning, keeping them together is development, and working with them is success, according to Henry Ford. Synergy from teamwork leads to greater and better outcomes.
- xi. **Self- Confidence:** Entrepreneurs have faith in their ability to achieve their objectives. They have confidence in their ability to succeed and trust in themselves. Nobody else has the right to make you feel inferior without your permission.
- xii. **Decision Making:** Making decisions entails deciding which option is better. One of the skills needed to become a successful entrepreneur is decision-making ability. It is essential and needed at all times, but particularly in situations of higher danger or uncertainty.

The term "entrepreneurship" describes the tasks carried out by an entrepreneur, such as seeing and seizing chances, putting creativity and ideas into practise, taking calculated risks, etc. The idea of entrepreneurship is ambiguous and the subject of considerable discussion. It is the procedure for starting a new company. It is the process of merging every aspect of manufacturing in order to create products. It is a unique and imaginative reaction to the surroundings. It was described differently by various persons. Entrepreneurship might mean taking risks for some individuals while being innovative for others. Let's take a look at a few definitions of entrepreneurship.

Entrepreneurship is the endeavor to create value through the reorganization of business opportunities, the management of risk-taking appropriate to the opportunities, and through the communicative and management skills to mobilize the human, financial, and material resources necessary to bring a project to function, according to Kao and Stevenson. Entrepreneurship, in the words of J. A. Schumpeter, "is founded on intentional and methodical invention. Along with individual entrepreneurs, it also comprises firm leaders and managers who actively do creative

tasks [4], [5]. A. H. Cole asserts that "Entrepreneurship is the purposeful activity of an individual or a group of associated individuals, undertaken to initiate, maintain, or aggrandize profit by production or distribution of economic goods and services."

According to the National Knowledge Commission, "Entrepreneurship is the professional application of knowledge, skills, and competencies and/or of monetizing a new idea, by an individual or a set of people by launching an enterprise de novo to pursue growth while generating wealth, employment, and social good."

Following are some characteristics of entrepreneurship based on the criteria above:

- i. Entrepreneurship is an artistic endeavor. Entrepreneurship and creativity and innovation go hand in hand. Innovation in products, new manufacturing methods, etc. are all included.
- ii. The process of entrepreneurship is dynamic. It reacts to environmental changes by changing itself.
- iii. Starting a business has a purpose. This goal might be to make money, help people, or promote social welfare.
- iv. Entrepreneurship is a risky endeavor. For instance, starting a new firm, introducing a new technology, or undertaking a new endeavor all entail risk.

Core Elements of Entrepreneurship

- i. The process of entrepreneurship involves opportunity identification. These possibilities might be big or tiny.
- ii. Allocating resources to explore and take advantage of possibilities for long-term gain.
- iii. By fusing resources in novel ways to create goods that foster economic growth, wealth creation, and employment.
- iv. The foundational components of entrepreneurship are innovation and creativity.
- v. Entrepreneurs are aware of people and their surroundings. They possess the capacity to think creatively as well as to use creativity to solve business problems.
- vi. They put greater emphasis on generating values by carrying out tasks in a more effective and efficient way.
- vii. They have an adaptable character, the capacity to modify the status quo, and the ability to succeed by doing things differently than how they are now done.

The Entrepreneurship includes Three Phases which are as follow

- i. **Initial Entrepreneurial or Inception Phase:** It involves the identification, exploring and perception of an opportunity to start the business.
- ii. **Operational Phase:** It includes the organization of business enterprise by theory and practice of management functions.

- iii. **Managerial Phase:** Managerial phase includes taking and run the business enterprise as a going and growing unit and creativity wealth or earning profit.

### **Role of Entrepreneurship in Economic Development**

Entrepreneurship aids in a nation's economic progress. The traditional theories of economic growth do not support the idea that entrepreneurship has any impact on economic development. For instance, David Ricardo said that there are just three components of production: labour, capital, and land. According to Adam Smith, economics is "wealth of nation." However, subsequent economists and intellectuals like Schumpeter, Parson and Smelser, Sayigh, and others saw the significance of entrepreneurship in the development of the economy [6], [7].

Entrepreneurs are listed by Habison as the main proponents of innovation. According to Parson and Smelser, 'entrepreneurship' and increasing capital production are two prerequisites for economic progress. The importance of entrepreneurship in economic growth varies from country to economy based on resources, political system, climate, etc. The contribution of entrepreneurship is also influenced by the availability of opportunities in the economy. They contributed more to an economy with favourable opportunity circumstances than one with comparatively less favourable ones. For instance, developing nations are less prone to the formation of inventive entrepreneurs due to a lack of trained labour, a lack of resources, etc. Entrepreneurs are less inventive and more imitators in the current economic climate. Due to a lack of resources, entrepreneurs in undeveloped areas are also forced to start tiny businesses. It has also been noticed that widespread imitation may hasten economic growth. They are thus seen as a force for bringing development to disadvantaged areas. By making a systematic and ordered contribution to the elements listed below, entrepreneurship supports and facilitates the pace of growth of a nation:

- i. Entrepreneurship is not only an exercise of self-employment but also provide large scale employment opportunity. Thus, help in reducing unemployment problem in the country which cause of all socio-economic problems.
- ii. By mobilizing idle saving of the public, it promotes capital formation.
- iii. It helps in promoting balanced regional development.
- iv. It helps in reducing the economic power concentration in few hands.
- v. Italso promotes and facilitates the equitable redistribution of wealth, income and political power.
- vi. It encourages optimum utilization and mobilization of resources like capital which might otherwise remain utilized and idle.
- vii. It stimulates backward and forward linkage through setting up of an enterprise.
- viii. It promotes country's export. Thus, help in generating foreign exchange.
- ix. It also helps in conversing the outflow of national wealth by producing products in country and thus reduce the need of import. It also reduces dependency on foreign countries and make self-reliance.

- x. It increases the rate of gross domestic product, net national product and per capita income in the country.
- xi. It improves the living standards of people increasing per capita income, removing scarcity of essential goods and introduce new product.
- xii. It stimulates and promotes innovation in techno-managerial practices.
- xiii. It improves international competitiveness.

### Factors affecting Entrepreneurship

The emergence, development, and expansion of entrepreneurship are not automated or haphazard processes. It depends on a few things. There are two main categories of these factors: economic and non-economic. Capital, labour, raw materials, markets, and infrastructure are examples of economic forces. While social and psychological elements are non-economic ones. Let's examine each of these aspects individually:

- i. **Economic Factors:** The same elements that encourage and enable economic growth are economic factors. They have an immediate and direct impact on entrepreneurship. The following are some economic elements that have an impact on entrepreneurship's expansion and development.
- ii. **Capital:** One of the most crucial production components for starting a business is capital. The availability of cash makes it easier for business owners to assemble all other manufacturing variables from various sources in order to create a product. As a result, capital is thought of as a manufacturing process lubricant. The capital output-ratio tends to rise as capital investment in sound projects rises. This causes profits to rise, which in turn hastens the process of capital creation. Therefore, there will be more entrepreneurial activity as a consequence of the increased capital supply or easier access to money. Russia serves as an example of how a sufficient supply of capital encouraged entrepreneurial growth, while France serves as an example of how a shortage of cash for industrial pursuits impedes the same.
- iii. **Labour:** The availability of the correct kind of workers is another element that influences entrepreneurship. The development of entrepreneurship is influenced more by labour quality than by labour quantity. Labour mobility promotes entrepreneurship. The inflexibility of the work force negated the benefit of cheap labour. Considerations of financial and psychological security impede labour mobility. Therefore, it is challenging for business owners to locate enough skilled personnel. But capital-intensive technology may be used to overcome this issue. And by providing improved infrastructure, such as effective transportation, the issue of labour immobility may be resolved.
- iv. **Raw Materials:** Raw materials are one of the most crucial components needed to start any industrial activity, and as a result, they have an impact on the creation and growth of entrepreneurship. Without raw resources, no business can be started or any entrepreneur can develop. Raw material availability has an impact on the entrepreneurial climate. Entrepreneurial operations may be negatively impacted by a lack of raw materials, although technical innovation may make up for this. It should be remembered that raw material availability is influenced by market circumstances. In more advantageous

opportunity circumstances, the raw material is more likely to have an impact on entrepreneurial operations.

- v. **Market:** Markets and marketing are crucial to the growth and development of entrepreneurship. No entrepreneur can imagine surviving in this very competitive climate without market understanding. The market's potential is one of the main factors of the likely returns an entrepreneur will get from performing an entrepreneurial activity. In marketing, it is sometimes claimed that "if the proof of the pudding is in the eating," then the proof of all production is in the consuming. Market composition, in addition to market size, has an impact on entrepreneurship.

Practically speaking, a monopolistic market has more of an impact on entrepreneurship than a competitive market for a product. However, the disadvantage of a competitive market may be eliminated by strengthening the transportation infrastructure since it makes it easier to transfer raw materials and completed goods and raises consumer demand for the product. Similar to this, heavy industry benefits more from transportation than does light industry. According to Wilken, a rapid increase in market potential may be used to demonstrate how the market affects entrepreneurship. He uses Germany and Japan as examples, where a quick rise in entrepreneurship coincides with a rapid expansion of the market [8].

## DISCUSSION

The diversity and breadth of the conversation around entrepreneurship speaks to its significance as a driver of social advancement and economic growth. The underlying ideas and abilities required for successful entrepreneurship are a prominent topic of debate. These include the capacity to identify market insufficiencies, create ground-breaking solutions, and successfully manage resources and risks. Entrepreneurs typically face difficulties and must overcome many obstacles along the road, so they must have a clear vision and an unwavering passion to make their ideas a reality. Additionally, the conversation explores the effects of globalization and technological development on the entrepreneurial scene. In addition to creating new opportunities for entrepreneurial endeavors, the fast speed of technology advancement has also challenged established markets and business structures. Entrepreneurs need to move with the times, use technology to their advantage and utilizing digital channels for client connection, marketing, and distribution. The role that entrepreneurship plays in stimulating innovation and solving social concerns is another important component of the conversation about entrepreneurship. The development of novel goods, services, and business strategies that have the potential to upend markets and enhance people's lives is spearheaded by entrepreneurs. Entrepreneurial endeavors are fueling developments that contribute to a sustainable and inclusive future, from renewable energy solutions to healthcare discoveries. The concept of entrepreneurship also takes into account the ecosystem and support structures needed to cultivate and promote entrepreneurial activity. Successful entrepreneurship may be facilitated or hampered by a variety of important elements, including access to financing, mentoring, networking opportunities, and a supportive regulatory framework. Governments, educational institutions, and corporate organizations all have a crucial role to play in fostering a climate that encourages entrepreneurship. The topic of entrepreneurship is complex and discussed from many angles, including the fundamental ideas and abilities as well as the effects of innovation, technology, and support structures. Entrepreneurship is a crucial force behind development, job

creation, and revolutionary change in the twenty-first century even as it continues to alter in reaction to shifting economic and cultural factors.

### CONCLUSION

In conclusion, entrepreneurship is a powerful and dynamic force in the modern world. It is a driving force behind economic development, job creation, and social improvement because it symbolizes the spirit of invention, risk-taking, and ingenuity. Entrepreneurship success demands a blend of vision, aptitude, flexibility, and tenacity. The entrepreneurial environment has changed as a result of technological development and globalization, giving both possibilities and difficulties for business owners to overcome. A potent catalyst for good change, entrepreneurship also plays a critical role in stimulating innovation and tackling social concerns. It is crucial to have a favourable ecosystem that offers access to money, mentoring, and a welcoming regulatory climate in order to encourage and promote entrepreneurship. The importance of entrepreneurship in the twenty-first century will grow as we go ahead because it will continue to influence sectors, spur innovation, and support sustainable development.

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## CHAPTER 2

### AN OVERVIEW OF THE SOCIAL FACTORS IN ENTREPRENEURSHIP DEVELOPMENT

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#### ABSTRACT:

In every society, there are certain cultural practices, values, norms and ethics which affect the individual's action. These practices have evolved over hundreds of years. This dominance of certain ethical group is a global phenomenon in entrepreneurship. The samurai in Japan, the trading classes in US and the protestant ethics in west have distinguished themselves as entrepreneurs. Family background includes size, type and economic status of family. For instance: background of family in manufacturing facilities industrial entrepreneurship. If a family is very affluent it can gain access to political power and exhibit higher level of entrepreneurship or can raise fund/capital more easily and exhibit higher level of entrepreneurship.

#### KEYWORDS:

Business, Employment, Profit, Entrepreneurship, Management.

#### INTRODUCTION

Education equips the person with knowledge and skills enable the person to understand the things, world and help him to deal with day-to-day problem as well as non-routine problem. Attitude of Attitude of the society towards entrepreneurship. Certain societies encourage change, innovations and novelties while certain societies do not accept change immediately. Thus, those encourage change encourage entrepreneurship and reward entrepreneur's action like profit. While in other societies, those do not accept change, entrepreneurship cannot be encouraged by them. Entrepreneurial growth and development needs motive like profit-making, acquisition of prestige, social status etc. which keep the person in action. If these motives are very strong then determinant, talented and ambitious persons take risk. The strength of these motives depends upon culture of the society. Entrepreneurship would be applauded and praised if culture is monetarily and economically oriented, i.e. appreciation of the accumulation of wealth. The culture relatively less monetarily and economically oriented are relatively less attracted towards monetary incentives. They attain social distinction by non-economic pursuit. They do not use their abilities for economic ends but use in non-economic ends [1], [2].

David McClelland's gives, 'theory of need achievement'. According to him, high need achievement is one of the characteristic of a person to become a successful entrepreneur especially when reinforced by cultural factors. It is the major determinant of entrepreneurship growth and development. The reason is that, people having high need-achievement motive like to take risk. This stimulates them to give greater efforts. McClelland attributed that some societies have high 'need achievement' relative to other societies. 'Need achievement' is more



conditioned by these society reinforcement. Parent influence, parent-child relationship and such other related factors also influence 'need achievement'. McClelland also argues 'Need achievement' can also be developed.

Withdrawal of Status Respect is that the psychological causes of entrepreneurship are also studied and understood by Everett Hagen. He stresses the psychological consequences of social changes. Everett Hagen attributed the withdrawal of status respect of a group to the genesis of entrepreneurship. With reference to a brief sketch of history of Japan, he concludes that due to two historical differences. Japan developed sooner than any non-western society expected Russia. First historical difference is that Japan has been free from colonial disruption and the other one is the, repeated long continued withdrawal of expected status from important group in its society drove them to retreatism. This results to the emergence alienated with increased creativity from traditional values. This ultimately leads them to technological progress by entrepreneurial roles. The loss of status by a group leads to entrepreneurial behavior. Hagen postulates that four types of events can produce status withdrawal.

Political and Government Factors explain that in a country, actions of government also influence the emergence and development of entrepreneurship. With the supportive actions of the government, entrepreneurs are encouraged to function very well. The government can facilitate the entrepreneurs to establish the enterprises by providing them various incentives, subsidies and concession. Also, provide the basic facilities, utilities and services. Successful entrepreneurs contribute to the upliftment and well-being of the society. So government should ensure the availability as well as accessibility of required resources to the entrepreneurs.

Growth of the entrepreneurship is affected by policies relating to various economic aspects like prices, availability of resources or factor of production, taxation, income distribution etc. to a large extent. Promotive Governmental activities contribute to the emergence and development of entrepreneurship and government policies like government monopolies, favoritism etc. are not desirable for the growth of the business enterprises. For example: 'policy measures for promoting and strengthening small, tiny and village enterprises<sup>91</sup>' industrial policy was first time announced by government of India to develop small enterprise in country. Later, the government of India enacted "Micro, small and medium enterprises development act, 2006" and also set up a separate ministry of Micro, Small and Medium enterprises for the growth and development of MSMEs in the country. This results in the continuous growth in the numbers of MSMEs in country [3], [4].

### **Models of Entrepreneurs**

On the basis of involvement of government and the way society values individual and collective action, following models of entrepreneurship can flourish:

#### **i. Free Market Model:**

In Free market model government's role is limited. Basic conditions required for entrepreneurial culture can be created by public policy but rest is upto entrepreneur. The culture, in which entrepreneurial growth, development and success are celebrated. And less degree of social protection, As well as tax structure rewards initiative and financial gain is free market model. United States and Canada are the example of free market model.

#### **ii. Guided Individualism Model:**

Guided Individualism model is based on individual enterprise's encouragement. Public policies play vital role by signaling industries in which entrepreneurial energies can be directed. Singapore and Taiwan are the example of Guided Individualism model.

### iii. Social Democrat Model:

Social democrat Model is the combination of social protection with encouragement of enterprises. It includes a sort of social partnership in which all partners are agreed upon social and economic framework. Sweden and Germany are example of social democrat model.

### Entrepreneur's Philosophy

Individual's willingness to accept responsibility for his/her own work determines success of an entrepreneur to some extent. Risk of failure is always present in business venture despite of this entrepreneurs take risk by considering their own action's responsibility. Success is the result of persistent efforts even sometime entrepreneurs gets success after experiencing failure. But they do not get disappointed from their failure. They learn from their failures and past experiences and channelizes their action to get more positive results.

Individuals have to pursue towards his/her goal depends on the individual's skills and abilities. He/she know and accept his strength and weakness. Or use strength as power and try to convert his/her weakness into strength and continuously give his/her best efforts for pursuing goals. Honestly and sincerely should pursue towards achieving goals. It is not necessary to get best and perfect results from his/her efforts but acceptable results are important. Pursuing towards goals helps an individual to groom him /her and bring out best qualities of an individual. In terms of employment generation context, all self-employed and income generating persons may not be entrepreneurs but all entrepreneurs are self-employed and income generating person.

Richard Cantillon an Irishman living in France, conceptualized the term entrepreneur as an entrepreneur is the 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. The innovation or new combination may occur in any one of the following forms, namely: Introducing new product, introducing new methods and techniques of production, opening of a new market, new source of raw material, Carrying out of the new form of organization of an industry or reorganization of an industry. Characteristic of successful entrepreneur, hard work, needs for high achievement, independence, highly positive, foresight, organizer, innovative, perseverance, risk-bearer, team-spirit, self-confidence and decision-making [5].

According to Kao and Stevenson entrepreneurship is the attempt to create value through reorganization of business opportunity, the management of risk-taking appropriate to the opportunity, and through the communicative and management skills to mobilize human, financial and material resources necessary to bring a project to function. Three phases of entrepreneurship are Initial Entrepreneurial or Inception Phase, Operational Phase and managerial phase. Factors affecting entrepreneurship are economic, non-economic and political and government factors. Models of entrepreneur are free market model, guided individualism model and social democrat model. An entrepreneur is the 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. Entrepreneurship is the attempt to create value through reorganization of business opportunity, the management of risk-taking appropriate to the opportunity, and through

the communicative and management skills to mobilize human, financial and material resources necessary to bring a project to function. In Free market model government's role is limited. Basic conditions required for entrepreneurial culture can be created by public policy but rest is up to entrepreneur. The culture, in which entrepreneurial growth, development and success are celebrated. And less degree of social protection, As well as tax structure rewards initiative and financial gain is free market model. United States and Canada are the example of free market model. Guided Individualism model is based on individual enterprise's encouragement. Public polices play vital role by signaling industries in which entrepreneurial energies can be directed. Singapore and Taiwan are the example of Guided Individualism model.

In the previous unit you learnt that Entrepreneur is an organizer who combines all factors of production for producing a product that is socially viable and relevant for the society at large. S/He bears risk, combines all factors of production, exploits opportunities in to order to elicit demand and thereby contributes in creating wealth and employment. Thus, an entrepreneur is an economic agent who plays an important role in the economic and social development. S/He is an individual with knowledge, skills, initiative, drive and spirit of innovation who aims for achieving goals. Therefore, entrepreneurship is a dynamic activity which helps the entrepreneur in fostering changes in production, innovation, market, product and services. Entrepreneurship is an indispensable process for an economy which flourishes when opportunities are identified and resources are arranged for long term gains. Accordingly, entrepreneur is a one who aspires to live life with dignity, self-respect, values, aspirations, ideologies, positivity and perseverance. Therefore, the following are the charisma of being an entrepreneur and these charms may attract you to take some entrepreneurial activities;

- a) To be independent.
- b) For creating job for others.
- c) Crafting one's own destiny.
- d) Pursuing your own endeavor.
- e) Taking own decisions.
- f) Using talent, skills and knowledge for own, benefits and also for the nation's prosperity.
- g) Magnifying uncertain rewards.
- h) One can prove an achiever, because one seeks nothing else than excellence for one's venture.

Further, if you are interested for establishing entrepreneurial ventures or aspires for it then you should know how ready you are in terms of entrepreneurial traits and skills. Since it is a fact that you can develop yourself as an entrepreneur with proper guidance and training therefore, it is necessary for you to assess yourself on the grounds that require a certain level of characteristics, skills, competencies, attitude and traits for initiating your venture. Further, if you assess that you lack in few traits or skills that you should not be dishearten as these may be developed through proper guidance, education and trainings [6], [7].

Traits are individual characteristics, or qualities, that differ among people. These specific traits describe a person. These traits impact the destiny of the business venture undertaken by the

entrepreneur. These specific traits are the driving force behind entrepreneurial competencies, motivations, and competitive strategies that guide the success of an enterprise. While many factors are important, the right entrepreneurial traits create a strong foundation for the construction of a successful venture. Oxford Dictionary has defined traits as “A distinguishing quality or characteristic, typically one belonging to a person and is genetically determined characteristic”. Therefore, for the purpose of determining entrepreneurial traits the same has been considered. However, these competencies are not only innate rather they may also be developed by proper training, right attitude and behavior. The following traits should be possessed by the entrepreneurial for succeeding in the entrepreneurial ventures.

### **DSCUSSION**

The development of entrepreneurship is influenced by a myriad of social factors that play a crucial role in shaping the entrepreneurial landscape. One key social factor is the cultural environment, which includes the prevailing social norms, values, and attitudes towards entrepreneurship within a society. In some cultures, entrepreneurship is highly esteemed and celebrated, fostering a supportive ecosystem that encourages individuals to pursue entrepreneurial endeavors. In contrast, in cultures where risk aversion and conformity are predominant, entrepreneurship may be perceived as a risky and unconventional path, creating barriers for aspiring entrepreneurs. Another social factor that significantly impacts entrepreneurship development is the presence of strong social networks and social capital. These networks provide entrepreneurs with access to resources, information, mentorship, and opportunities. The strength and diversity of social networks can greatly influence an entrepreneur's ability to secure funding, build partnerships, and gain market knowledge. Furthermore, social networks can serve as a source of inspiration and motivation, as entrepreneurs can learn from the experiences and success stories of others within their networks.

Moreover, the level of social mobility and equality within a society can shape entrepreneurship development. Societies that provide equal opportunities for all individuals, regardless of their social background, tend to foster a more inclusive entrepreneurial environment. When individuals have equal access to education, financial resources, and support networks, entrepreneurship becomes a viable option for a diverse range of individuals, leading to a more vibrant and innovative entrepreneurial ecosystem. Lastly, the role of government policies and regulations cannot be overlooked when considering social factors in entrepreneurship development. Government policies that promote entrepreneurship through favorable taxation, streamlined regulations, and supportive infrastructure can significantly impact the growth and success of entrepreneurial ventures. Additionally, policies aimed at reducing social inequalities, fostering education and skill development, and providing financial support to aspiring entrepreneurs can create an enabling environment that encourages entrepreneurial activities. Social factors play a critical role in shaping entrepreneurship development. The cultural environment, social networks, social mobility, and government policies all contribute to the overall ecosystem within which entrepreneurs operate. Recognizing and understanding these social factors is essential for policymakers, educators, and aspiring entrepreneurs themselves to create an environment that nurtures and supports entrepreneurial endeavors, leading to economic growth, innovation, and societal progress [8].

## CONCLUSION

In conclusion, the social factors discussed above have a profound impact on entrepreneurship development. The cultural environment, social networks, social mobility, and government policies collectively shape the opportunities and challenges faced by entrepreneurs. Understanding and addressing these social factors is crucial for fostering a thriving entrepreneurial ecosystem. By promoting a culture that values and supports entrepreneurship, building strong and diverse social networks, ensuring equal opportunities for all individuals, and implementing favorable government policies, societies can unlock the full potential of their entrepreneurial talent. Ultimately, a vibrant and inclusive entrepreneurial environment leads to economic growth, job creation, and societal advancement. Therefore, it is essential for stakeholders to recognize the significance of social factors and work collaboratively to create an ecosystem that nurtures and empowers entrepreneurs to succeed.

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## CHAPTER 3

### AN OVERVIEW OF THE KEY TRAITS OF A SUCCESSFUL ENTREPRENEUR

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#### **ABSTRACT:**

Entrepreneurs possess an inner urge of doing something. They are self-reliant innovators. Entrepreneurs are generally considered as independent having high self-esteem and extraordinary self-reliance. They take initiative to start new ventures. They know that their acts and aspirations can lead to success or failure to the operations but with initiative seeking characteristic they extend the business into new products, new areas and new services. The successful entrepreneurs are possessed with the willingness to work hard in all the situations with sheer courage and determination. They work hard even when they face the ups and downs and joys and disappointments in their entrepreneurial ventures. The price of success is hard work, dedication to the job at hand, and the determination that whether we win or lose, we have applied the best of ourselves to the task at hand.

#### **KEYWORDS:**

Business, Employment, Profit, Entrepreneurship, Management.

#### **INTRODUCTION**

Entrepreneur also tries to explore and acts on opportunities and they tries to seize opportunities coming in the way and converts them into realistic and achievable goals. Quality Consciousness-Entrepreneurs are highly conscious about the quality and always strive for achieving excellence. They have inherent desire of producing work of high quality and this help them in stand out in the competition. Further, traits like quality consciousness give them sense of satisfaction and achievement across all the functions they perform. Efficiency and effectiveness oriented-entrepreneurs displays efficiency and effectiveness in all the endeavors they undertake. Utilization of resources with higher effectiveness also helps them to achieve the expected results with reduced inputs and reduced errors. They try to explore new methods and procedures that aim at promoting efficiency. Problem solving ability successful entrepreneurs are challenging by nature. They always try to find out ways and means to overcome the problems that emerge while undertaking entrepreneurial ventures. They try to craft novel and potentially unique ideas to achieve their targets [1], [2].

Self-confident entrepreneurs try to achieve goals and objectives with the belief on themselves as well as on their abilities. Entrepreneurs are highly self-determined and try to build their own destiny. Risk taker successful entrepreneurs are generally risk takers. Sometimes they pursue short-term risky opportunities in anticipation of high growth and returns. Many a times, they also opt for the middle of the road of calculated risk in which possibility of profits are quite high and

the outcome depends upon their ability and hard work. But overall, risk taking is an important constituent in an entrepreneurial life. Self-Motivated-Entrepreneur influence individuals and inspire them with his/her thoughts and pull them to work as per their aspirations. They are capable enough to motivate themselves and therefore they do not much require external drives for achieving pinnacles of success. They are consistent motivators who always aspire for getting the things done in a right way. Without considering the ups and down, you as an entrepreneur have to keep the spirit high without getting discouraged in the difficult times. As the author Ralph Waldo Emerson said “Finish each day and be done with it. You have done what you could. They always work for achieving AIM that is ‘Ambitions in their Minds’. S/He develops and uses logical step by step plans to reach goals. S/He plans by breaking a large task into subtasks, develops plans that anticipate obstacles, evaluate alternatives and most importantly takes a logical and systematic approach to activities.

Entrepreneur possesses high level of determination and desire which help him/her in overcoming all difficulties. They are persistent in their approach irrespective of obstacles and failures that come in their way. Their eyes are always on the goal and with consistent efforts, self-confidence and optimism they pursue them patiently. Steve Jobs co-founder and CEO of Apple has rightly said that I’m convinced that about half of what separates the successful entrepreneurs from the non-successful ones is pure perseverance. Assertiveness is the trait of being self-assured and confident without being aggressive. They believe in themselves and know how to assert what they want, what they feel and what they think. Entrepreneurs possess an important quality of successfully persuading others. With this knowledge, abilities and confidence, s/ he try to convince others. S/He can persuade financiers, creditors, employees, customers, suppliers and others to do the work the way s/he wants them to do. The entrepreneurs have unending determination and commitment. They are creative and always aspire for results.

They try to learn from their own mistakes and failures and they work hard again with renewed passion and determination. Entrepreneurs are highly passionate towards their work. They are highly passionate to encompass opportunities and challenges with sheer zeal and determination. Thus, this trait helps them to stay for long till their entrepreneurial venture achieves success and help them to stay focused on the business canvas they have sketched. Entrepreneurs possess an important trait of being tenacious. They are committed towards each and every decision and try to align their work with the desired results. With goals-directed action and energy driven approach, they instil cohesiveness among the groups working within the organization and develop in them a sense of belongingness. Henry Ford has also said that ‘Coming together is a beginning; keeping together is progress; working together is successes [3], [4].

Entrepreneur takes action after collecting all the information about opportunities, market, technology, loans, policies, location and even about the industry as well as the competitors. If you are planning to set your own enterprise you have to be information seeker and you have to gather information from various sources to acquire knowledge. With this characteristic you can build a strong interpersonal relationship which can be used to strengthen business contacts and terms with suppliers and other persons related to the business. Visionary individuals are the one who can plan or can contemplate about the future with imagination or wisdom. They have an insight to see what others cannot see. They can realistically put the business canvas to work, which they have sketched for their venture. They are able to see exactly what their business is going to look like in the future. Go Getter-Entrepreneurs are very energetic aggressively enterprising person. They are grounded with determination, zeal, out-of-the-box thinking and

self-assurance which help them in dealing with new or difficult situations easily. Team Builder-Entrepreneur work with great team spirit for achieving the common goals. Entrepreneur also cultivates team spirit among the employees and other group for amplifying the probability of success for the team's endeavor.

### **Characteristics of an Entrepreneur**

For reaching at the top of the ladder, an entrepreneur should have technical competencies together with initiative, determination, commitment, self-confidence, clear objectives, self-motivation, problem solving attitude, risk taking attitude and an ability of balancing work and life. However, there are some characteristics that can be acquired after proper training, right attitude and unending efforts. Thus, the following common characteristics are found in the successful entrepreneurs:

- i.** The entrepreneurs are highly optimistic and are endowed with the positive approach for seeing the world. With optimistic attitude they transform difficult situations into favourable one.
- ii.** Successful entrepreneurs have adequate knowledge of their businesses. They are well versed with the peculiar characteristics of the venture they are into and know the characteristics of the customers, markets, products and suppliers.
- iii.** Alertness is a personality characteristic of entrepreneurs which can be acquired through practice. As an entrepreneur you need to practice continuously searching of possible opportunities and the same may result into profits in the long run.
- iv.** The entrepreneurs also possess good communication skills. As an entrepreneur if you can communicate impressively with your customers, employees, suppliers, creditors and other stakeholders, you can sustain your business growth.
- v.** Entrepreneurs are confident about their beliefs and abilities. They not only depict confidence in their own abilities rather they also instill confidence in others. If you opt for any business venture and if you have confidence in yourself then you can accomplish benchmarks with better long term outcomes.
- vi.** Entrepreneur has an important characteristic of building personal relationship with the customers, employees and other stakeholders. With this characteristic s/he can definitely succeed in the business by influencing the people who are directly or indirectly associated with them.
- vii.** Entrepreneurs should be intelligent with creative thinking which is helpful in analysing complex situations. Further, s/he should also possess emotional intelligence to manage behavior, navigating social complexities and in making personal decisions and achieving positive results.
- viii.** Entrepreneurs are intelligent and creative thinker. An entrepreneur should possess intelligence and creativity so that it may help them in solving complex problems which may come during entrepreneurial journey. Certainly, this will help them in handling typical situations appropriately [5], [6].



### **Few Success Stories**

Aditya Vikram Birla was India's cherished enterprising person who diversified his group extensively into textiles, petrochemicals and telecommunications. He was one of the first Indian industrialists to expand business abroad by setting up plants in South East Asia, the Philippines and Egypt. He endorsed that business could be global being still local and he proved by sketching his business canvas worldwide.

Dr. Arokiaswamy Velumani, Chairman of Thyrocare Technologies Limited, has struggled in his childhood grew up in poverty at a village near Coimbatore. Before establishing Thyrocare Technologies Limited, he worked as a scientist at Bhabha Atomic Research Centre, Mumbai, for years. He spent his Provident Fund Money to take up this venture in 1995. He is creative and a team builder who does not follow set traditions and employs freshers in his company. He is an optimist who always perceives glass half full and therefore has managed to build 2 outlets and collection centers across India and abroad. N.R. Narayana Murthy is one of the most successful entrepreneurs and a truly acclaimed leader in the country. He has proved that merit doesn't matter but what matters is hard work, honesty, integrity, simple living and high thinking, under-promising and over-delivering and performance orientation. He is an Indian IT industrialist and the co-founder of Infosys which has excelled in providing business consulting, technology, engineering, and outsourcing services.

Kiran Mazumdar Shaw is an entrepreneur who nailed all the peripheries which was set for a woman. She led the biotech industry in India which was fairly dominated by men, but she managed to break the myths and established Biocon a global brand. She learnt from her failure and carved a niche for herself with sheer dedication, zeal and vigorous attitude towards work. She has taken criticism positively and possesses courage and a dare-to-take-risk attitude. She once quoted that "I want to be remembered as someone who put India on the scientific map of the world in terms of large innovation. I want to be remembered for making a difference to global healthcare. And I want to be remembered as someone who did make a difference to social economic development in India. Entrepreneurs are classified on the various dimensions depending upon the characteristics they share under each category. The entrepreneurs are classified on the basis of their functional characteristics, ownership of scale, size of entrepreneurship business, motivation types, personality types, gender, use of technology and development point of view [7], [8].

### **DISCUSSION**

The key traits of a successful entrepreneur encompass a diverse range of qualities that contribute to their achievements in the business world. These traits define the entrepreneurial spirit and set them apart from others. First and foremost, successful entrepreneurs are opportunity seekers. They possess the ability to recognize and capitalize on opportunities that come their way, transforming them into realistic and achievable goals. This opportunistic mindset allows them to stay ahead in the competitive landscape. Quality consciousness is another crucial trait exhibited by entrepreneurs. They have a relentless commitment to producing work of high quality, striving for excellence in every aspect of their ventures. This emphasis on quality not only helps them stand out in the market but also provides a sense of satisfaction and achievement. Efficiency and effectiveness are ingrained in the entrepreneurial mindset. Entrepreneurs display a remarkable ability to utilize resources effectively, achieving expected results while minimizing inputs and errors. They constantly explore new methods and procedures that promote efficiency, ensuring

optimal use of available resources. Problem-solving skills are indispensable for entrepreneurs. They possess a natural inclination to overcome obstacles and find innovative solutions to challenges encountered during their entrepreneurial journey. They harness their creativity to craft novel ideas and strategies, enabling them to reach their targets. Self-confidence is a trait that fuels the success of entrepreneurs. They believe in themselves and their abilities, which allows them to pursue their goals with unwavering determination. Entrepreneurs are self-motivated individuals who inspire and influence those around them, creating a positive work environment and driving their own success. Risk-taking is a defining characteristic of successful entrepreneurs. They understand that calculated risks can lead to high growth and returns. While they assess the potential for profits, they are not deterred by the possibility of failure, as they rely on their abilities and hard work to navigate through uncertain situations. Risk-taking is an inherent part of their entrepreneurial journey. Realistic planning is another critical trait observed in entrepreneurs. They develop logical, step-by-step plans to achieve their ambitions.

By breaking down larger tasks into manageable subtasks, anticipating obstacles, and evaluating alternatives, they adopt a systematic approach that guides their activities. Perseverance is the unwavering determination possessed by entrepreneurs. They remain focused on their goals, persisting despite obstacles and failures. Their perseverance, combined with self-confidence and optimism, drives them forward. As Steve Jobs famously said, perseverance is often the differentiating factor between successful and unsuccessful entrepreneurs. Entrepreneurs also exhibit assertiveness and persuasive skills. They confidently assert their wants, feelings, and thoughts, influencing others to align with their vision. Their ability to persuade stakeholders such as financiers, employees, customers, and suppliers plays a crucial role in achieving desired outcomes. Moreover, successful entrepreneurs are full of determination, passion, and tenacity. They continuously learn from their mistakes, work hard with renewed vigor, and maintain a long-term focus on their business objectives.

They foster teamwork, building a cohesive and motivated group of individuals working towards shared goals. Information-seeking is an essential trait among entrepreneurs. They diligently gather information about opportunities, markets, technology, policies, and industry trends. This knowledge acquisition enables them to make informed decisions and build strong business relationships. Visionary thinking is a distinguishing characteristic of entrepreneurs. They possess the ability to envision the future, contemplating it with imagination and wisdom. Entrepreneurs develop a clear business canvas and realistically bring it to life, visualizing what their venture will become. Lastly, successful entrepreneurs are go-getters, embodying energy, determination, out-of-the-box thinking, and self-assurance. They fearlessly tackle new and challenging situations, driving their enterprises forward. The key traits of a successful entrepreneur combine various qualities such as opportunity-seeking, quality consciousness, efficiency, problem-solving ability, self-confidence, risk-taking, self-motivation, realistic planning, perseverance, assertiveness, persuasion, determination [9], [10].

## **CONCLUSION**

In conclusion, the key traits of a successful entrepreneur encompass a wide array of characteristics that contribute to their accomplishments in the business world. These traits form the foundation of the entrepreneurial spirit and serve as a roadmap to success. From being opportunity seekers and quality-conscious individuals to possessing problem-solving abilities, self-confidence, and a willingness to take calculated risks, entrepreneurs demonstrate an

unwavering commitment to achieving their goals. Their ability to plan realistically, persevere through challenges, and build cohesive teams further strengthens their entrepreneurial endeavors. With traits such as information-seeking, visionary thinking, and a go-getter attitude, entrepreneurs set themselves apart in the competitive landscape. By embodying these traits, aspiring entrepreneurs can cultivate the mindset and skills necessary to thrive in their own ventures and leave a lasting impact on the business world.

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## CHAPTER 4

### AN OVERVIEW OF THE EXPLORING ENTREPRENEURSHIP

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#### ABSTRACT:

The field of entrepreneurship encompasses a diverse range of individuals and business models, each contributing in their unique way to the economic progress of a country. This article delves into the different types of entrepreneurs and their distinct characteristics. It explores the innovative entrepreneurs who embrace new opportunities, technologies, and markets with unwavering enthusiasm, as well as the imitative entrepreneurs who adapt and adopt innovations initiated by others. Additionally, the cautious and calculative Fabian entrepreneurs are discussed, along with the introverted and conservative drone entrepreneurs. Furthermore, the classification of entrepreneurs based on ownership is examined, including private entrepreneurs who independently manage their businesses, state entrepreneurs who drive innovation in the public sector, and joint entrepreneurs who share the entrepreneurial activity with the government. By understanding these various entrepreneurial categories, we gain insights into the dynamic landscape of entrepreneurship and its impact on both the economy and the business world.

#### KEYWORDS:

Business, Employment, Profit, Entrepreneurship, Management.

#### INTRODUCTION

Entrepreneurship is a dynamic and multifaceted domain that lies at the heart of economic growth and innovation. Entrepreneurs, with their vision, passion, and willingness to take risks, play a vital role in shaping industries, creating jobs, and driving societal progress. Within the realm of entrepreneurship, there exists a diverse spectrum of individuals, each embodying unique traits, strategies, and approaches. This article aims to delve into the world of entrepreneurship, exploring different types of entrepreneurs and their respective classifications [1], [2]. By understanding the characteristics and roles of innovative, imitative, Fabian, and drone entrepreneurs, as well as the ownership classifications of private, state, and joint entrepreneurs, we can gain valuable insights into the varied landscape of entrepreneurial endeavors. Join us on this journey of exploration as we uncover the intricacies of entrepreneurship and its significance in shaping our economy and business environment. There is some characteristics are given below:

- a) Innovative entrepreneur is the one who captures new opportunities, use novel methods, introduce new products, use new technologies, explore new markets, creates new organizations and always work with pristine avidity. They are aggressive in the approach and they sharply and skillfully put ideas into realities. They add lot to the economic progress of a country. Schumpeter view of entrepreneur was of this type. He stated that innovation can happen endogenously. These individuals depict their enthusiastic

enterprising spirit and are passionate, visionary, persistent, energetic and creative. Their traits and skills foster changes in their enterprise, thereby bringing transformation in the economy as well as in the business world

- b) **Imitative Entrepreneurs** are also termed as Adoptive Entrepreneur. They immediately adopt those innovations and activities that are initiated or developed by Innovative entrepreneur. Such entrepreneurs are not the first movers rather they try to adapt to the technological changes that are brought in by others. These entrepreneurs are favorable for the developing or underdeveloped regions as they can analyze how the land, labour, capital and machinery are organized in the developed countries and with this analysis they can proceed for implementing the same in the developing as well underdeveloped regions.
- c) **Fabian** these entrepreneurs are skeptical in initiating for any change. They are too cautious and calculative while undertaking any business venture. They only start business activities when they are sure that their activities hardly result into any failure. Therefore they are hesitant, fearful, risk averse and lazy. They mimic innovators of the industry and invest when they are convinced that the ventures are grounded with the sufficient possibilities of profits.
- d) **Drone Entrepreneurs** are the fourth subdivision of entrepreneurs as per the Clarence Danhof Classification. Such entrepreneurs neither want to grab opportunities nor want to initiate for changes in the methods of production even at the cost of reduced returns or losses. They are introvert, conservative and orthodox in their outlook and are laggards in their approach.

### Classification on the Basis of Ownership

- a) **Private Entrepreneur:** Private Entrepreneurs are the individuals who own a business or an industry that is run independently of the government and s/he solely takes the responsibility of managing an enterprise, s/he further undertakes the complete risk of losing capital and manages the business with the keen interest of profits and growth.
- b) **State Entrepreneur:** State Entrepreneurs are those entrepreneurs who run and manage the trading or industrial venture of the State or the Government. They try to introduce innovation by implementing novel ideas and processes in the public sector [3], [4].
- c) **Joint Entrepreneur:** When a private entrepreneur and the Government jointly operate an enterprise they are termed as Joint Entrepreneur. Entrepreneurial activity under such system is jointly shared by the Private Entrepreneurs as well as Government.

### Classification on the basis of Business

- a) **Agriculture:** Agricultural Entrepreneurs are the one who undertakes agricultural activities such as cultivation of crop, harvesting, marketing of agricultural produce, irrigation, sheltered and cold storage facilities for agricultural produce, irrigation and application of technologies and other similar ventures. They cover wide range of agricultural activities such as crop production, livestock production, poultry keeping, agricultural support business, agro technologies and marketing of agricultural produce. Agricultural entrepreneurs are also related to agricultural inputs.

- b) **Manufacturing:** These entrepreneurs manufacture products which are well suited to needs and aspirations of the customers. S/He tries to use resources including economic, human and technological resources for producing goods and services in the economy. When they manufacture in the small size and quantity, then they are termed as small manufacturers.
- c) **Trading:** Such entrepreneurs undertake trading activities and is not engage into production of goods and services. S/He undertakes domestic as well as international trade. They procure finished products from the manufacturers and later sell it to the customers either directly or through retailers. They serve as the middlemen among wholesalers, dealers, retailers, manufacturers and customers.
- d) **Service:** These entrepreneurs provide services to the consumers. They have expertise into a particular segment and accordingly, they provide generic services for the benefit of the customers. They may be into education, insurance, treatment, cleaning, consultancy, accountancy, designing etc. They deliver value to their customers by providing specialised services that cater to the benefit of its customers.

## DISCUSSION

### Classification on the basis of Use of Technology

Technical- The entrepreneur who utilizes science and technology for establishing an enterprise and also utilizes technology extensively for managing the enterprise is termed as technical entrepreneur. These entrepreneurs generally have science and engineering background or strengths and they try to develop products and services on the basis of knowledge, research and technology. As a technology-based entrepreneur, they always try to apply technological support in all functions of management right from planning to control and also they try to apply novel technologies from manufacturing to research. These entrepreneurs try to achieve high order success on the basis of the latest knowhow and knowledge: The entrepreneurs who do not apply technologies for running an enterprise are generally termed as non-technical entrepreneur. They generally try to adhere to the traditional methods to establish and run an enterprise.

### Classification on the basis of Size of Enterprise

- a) **Micro Scale Entrepreneur:** These are those individuals who invests in plant and machinery excluding land and building for enterprises engaged in manufacturing or production, processing or preservation of goods not more than Lakhs. Further, in case of enterprises engaged in providing or rendering of services investment by such individuals in equipment excluding land and building is not more than Rs.10 Lakhs [5], [6].
- b) **Small Scale Entrepreneur:** An entrepreneur who is running the industrial undertakings with an investment in plant and machinery excluding land and building for enterprises engaged in manufacturing or production, processing or preservation of goods more than Rs.20 lakhs but less than Rs.500 lakhs, are termed as small-scale entrepreneur. Further, investment in equipment excluding land and building for enterprises engaged in providing or rendering of services by such individuals are more than Rs.10 lakhs but less than Rs.200 lakhs. They play an important role in employment creation; resource utilisation and income generation and they play a vital role in instilling changes in the economy in gradual and phased manner.

- c) **Medium-Scale Entrepreneur:** Medium Scale Entrepreneurs are the one who has made investment in plant and machinery excluding land and building for enterprises engaged in manufacturing or production, processing or preservation of goods for more than Rs.500 lakhs but less than Rs.1000 lakhs. Further, investment in equipment excluding land and building for enterprises engaged in providing or rendering of services is more than Rs.200 lakhs but less than Rs.500 lakhs.
- d) **Large Scale Entrepreneur:** They are the one who has made investment in plant and machinery for more than Rs.1000 lakhs. Large scale industries are the industries with huge infrastructure man power and heavy capital of more than rupees ten crores. The entrepreneurs of such industries play an important role in shaping the fortune of an economy.

### Classification on the basis of Gender

- a) **Men Entrepreneur:** When enterprises are owned, managed and controlled by men, they are termed as Men Entrepreneur.
- b) **Women Entrepreneur:** When enterprises are owned, managed and controlled by Women or when they have a minimum financial interest of% of the capital and they render employment to at least% to women then they are termed as Women Entrepreneur. Women entrepreneurship may be defined as “women achieving economic independency and generates employment opportunities to others by running an enterprise”. In the past fifty years, society shifted their perspectives of women being primarily child bearers and caregivers to include primary breadwinners or co-contributors to the family income.

They are the one who plan for an enterprise with a vision, initiate to fulfil it, attempts to nurture it by employing factors of production while undertaking risk and run the enterprise with sheer zeal and courage[7]. They are not just homemaker rather they are the one who can successfully manage both their home as well as their business effectively. They are recognized as contributor in the economic growth and development. They create new jobs for themselves as well as for nation. Government has provided various schemes for the promoting women entrepreneur in the country. Kiran Mazumdar Shaw Shahnaz Husain, Indu Jain, Kiran Mazumdar Shaw and Sabina Chopra are to be named few.

- a) **Empirical:** The empirical entrepreneur is reluctant to changes and generally follows rule of thumb. They do not opt for revolutionary strategies.
- b) **Rational:** The rational entrepreneur is well informed about the economic happenings and intends to introduce radical and appropriate changes.
- c) **Cognitive:** The cognitive entrepreneur is well aware about the process, procedures, innovative methods and techniques. They chalk out plans and actions on the basis of expert advice and attempts to introduce changes that are completely different from the existing scheme of an enterprise.

### Classification on the basis of Motivation

- a) **Pure-Pure Entrepreneur** is the one who are motivated by monetary and psychological rewards. They aspire for the ventures in which possibility of gain is reasonably high and they undertake such ventures for personal satisfaction, ego and status.

- b) Induced Entrepreneurs are the one who undertakes entrepreneurial activities because of the support and assistance received from the government. Such entrepreneurs are influenced to undertake such ventures because of policy measures of the government in terms of facilities, concessions, incentives, subsidies, tax rebates and the like. Such entrepreneur may undertake entrepreneurial tasks because of external factors like institutional support, family support and other organizational support.
- c) These entrepreneurs are self-motivated to undertake entrepreneurial activities because of self-fulfillment and desire. They are passionate for becoming a successful entrepreneur and they have an ability to think out of box and making things happen as per their desire. They are motivated for establishing such units for their benefits, for those who are near to them and for those who they care about.
- d) Such entrepreneurs are creative and natural entrepreneur. These have an ability of foresightedness, confidence, leadership skills, self- motivation, conviction and confidence. They exploit opportunities spontaneously which contributes in industry diversity and regional development.
- e) E-entrepreneur is the one who tries to establish a venture which is based on electronic platform and internet. Such entrepreneur undertakes risk and invests capital in electronic business and thereby offers value through digital or electronic products and services. This notion of e-entrepreneur is recently gaining importance and is defined as principally using the Internet to strategically and competitively achieve vision, business goals and objectives. e-entrepreneurs use the World Wide Web to interact and complete virtual transactions both with other businesses and their consumers/customers. E-entrepreneurs are defined as individuals or organizations engaged in e-Entrepreneurship. It is also anticipated that e-Entrepreneurs will possess similar traits as entrepreneurs, in addition to having in employing technical skills. 'A successful E-entrepreneur is one who, along with being profitable in dollar terms, would have also survived external and internal forces.

The topic of exploring entrepreneurship is an intriguing and dynamic subject that has garnered significant attention in recent years. As the global economy continues to evolve and traditional career paths face increasing uncertainties, many individuals are drawn to the idea of becoming entrepreneurs. This phenomenon can be attributed to various factors, such as the desire for financial independence, the pursuit of creative freedom, and the opportunity to make a meaningful impact on society. Exploring entrepreneurship involves delving into the realms of innovation, risk-taking, and resourcefulness, as individuals navigate the challenges and opportunities inherent in starting and managing their own businesses. Moreover, it encompasses a wide range of industries and sectors, from tech startups to social enterprises, each with its unique set of circumstances and requirements. In this discussion, we will delve into the multifaceted nature of exploring entrepreneurship, exploring the motivations, challenges, and potential rewards that come with embarking on this exciting and often unpredictable journey [8], [9].

## CONCLUSION

In conclusion, exploring entrepreneurship offers individuals an avenue to pursue their passions, challenge the status quo, and contribute to the economic and social landscape. It requires a combination of creativity, resilience, adaptability, and strategic thinking. While the path of



entrepreneurship is not without its obstacles, the potential rewards and personal fulfillment can be immense. From creating innovative solutions to addressing pressing societal issues, entrepreneurs have the power to shape the future. As the entrepreneurial ecosystem continues to evolve and become more accessible, it is crucial for aspiring entrepreneurs to seek out resources, mentorship, and networking opportunities to maximize their chances of success. Whether one's goal is to build a successful business empire or make a difference in their community, exploring entrepreneurship provides a platform for individuals to leave their mark and contribute to the vibrant tapestry of entrepreneurial ventures worldwide.

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## CHAPTER 5

### AN OVERVIEW OF THE HOLISTIC APPROACH OF SUCCESSFUL ENTREPRENEURS

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#### ABSTRACT:

In today's competitive business landscape, successful entrepreneurs are adopting a holistic approach to achieve their goals. This approach encompasses a comprehensive and interconnected mindset that takes into account various aspects of their lives, including personal well-being, relationships, and professional growth. By prioritizing a balanced and integrated approach, these entrepreneurs understand that success is not solely determined by financial achievements but also by overall fulfillment and happiness. This abstract explores the holistic approach embraced by successful entrepreneurs and highlights its significance in navigating the complexities of entrepreneurship while maintaining a healthy and sustainable lifestyle.

#### KEYWORDS:

Business, Employment, Profit, Entrepreneurship, Management.

#### INTRODUCTION

Such entrepreneurs depicts a holistic approach of managing all aspects of one's life that portrays entrepreneurship, health and well-being, family, spirituality, morality and mentality which come together to provide a supreme balance. Entrepreneur is an economic agent who plays a vital role in the upliftment of a society. S/He is an individual with knowledge, skills, initiative, drive and spirit of innovation. Entrepreneurs possess specific traits that are useful in nurturing the enterprises as well as intellectual talents in the country. Green Entrepreneurs are agents of change who destroy the existing conventional production methods, products, market structures and consumption models and replace them with new, superior ecological products and services. They have strong internal motivation related to a heightened sensitivity to environmental problems. They address an environmental or social problem/need consciously and this is at the core of their business activity. They consciously strive to contribute to a more sustainable future, contributing both to social as well as environmental values. Ultra entrepreneur- The term has gained importance by the book written by Hall Julain, Entrepreneur to Intrapreneur 0 Ways to Up Your Game. It denotes to the individuals who not only excelled in the managing their enterprise but also has a profound effect on their family, community, country or humanity.

In this unit you learned common characteristics of successful entrepreneurs some of which are hard work, desire for high achievement, independent, foresight, strong mental ability, highly optimistic, leadership ability and updated technical knowledge. In this unit you also came to know about the various classifications of entrepreneurs. Entrepreneurs are classified on the basis

of their functional characteristics, ownership of scale, size of entrepreneurship business, motivation types, personality types, gender, use of technology and development point of view.

- i. E-Entrepreneur:** E-entrepreneur is the one who tries to establish a venture which is based on electronic platform and internet. Such entrepreneur undertakes risk and invests capital in electronic business and thereby offers value through digital products and services.
- ii. Arbitrageur:** This term is quite prevalent these days. It refers to the new segment of Entrepreneur who has a passion of farming and agriculture by utilizing managerial and business skills and competencies.
- iii. Ultraentrepreneur:** It denotes to the individuals not only excelled in the managing their enterprise but also has a profound effect on their family, community, country or humanity.

The term entrepreneur is derived from a French word 'Entrepreneur' which literally means 'to undertake'. The word entrepreneur was introduced in the economic field for the first time by Richard Cantillon in the year 1755. The word now is a concept which deals with entrepreneurs who are people who break new grounds in starting a business. They have new ideas and wish to organize, manage and develop business ideas which may have risks associated but have the potential to make money. The key Characteristics associated with Entrepreneurship are innovation and the ability to take a well calculated risk. It is also an important part of a nation's ability to succeed in changing and increasing competitive global marketplace.

Some of the world's most successful entrepreneurs include W.H. Bill Gates & Paul Allen, Steve Jobs, Pierre Omidyar, Caterina Fake Mark Zuckerberg etc. Dhirubhai Ambani, JRD Tata, Azim Premji, N R Narayana Murthy and Shiv Nadar are few of the many success stories scripted by Indians in the entrepreneurial horizon through their sheer grit and resolve to achieve success. Some of the reasons behind individuals opting for entrepreneurship can be interpreted as under:

- a) They want to lead an organization and for that they have to start one.
- b) They get inspired by the success stories of other entrepreneurs.
- c) They have new innovative ideas which can be commercialized.
- d) They love taking risks and wish to capitalize on their skill.
- e) They feel responsible towards the society to find solutions for societal problems.
- f) They wish to follow the legacy in their family and carry it forward.
- g) They are too ambitious and want to charter their own growth.
- h) They have problems with their existing jobs and want to get out of them.
- i) They want to work in the location of their choice
- j) They firmly believe that entrepreneurship is the only thing they can involve themselves into.

## **Characteristics of an Entrepreneur**

The entrepreneurs are characterized by some specific traits which enable them to succeed in their ventures as well as differentiate them from others. The following are some of the key traits of an entrepreneur: The most important trait defining an entrepreneur is his passion towards executing his ideas into reality. They tirelessly work on their ideas and have a keen willingness to surmount any challenge that is thrown against them. Their passion is the key towards building their businesses brick by brick.

### **Always Motivated**

Entrepreneurs are not bogged down by failures and their motivation keeps them trying again and again till they achieve success. They continuously work upon their shortcomings and do not give up unless they are firmly convinced that their approach needs to be changed.

### **Risk Bearers**

Every business has inherent risk involved in it and it requires courage to accept the challenge to take that risk. Entrepreneurs are always willing to take these risks willingly as they have confidence in their business ideas as well as in their ability to execute it successfully. However, the risk is taken after a careful calculation of dealing with probable failures if any.

### **Discipline and Dedication**

It requires lot of perseverance and discipline for an entrepreneur to keep the newly formed business going. This is very important as any complacency can derail the new enterprise and discipline by promoters always inspires the employees to give up their best as a team.

### **Flexible and Adaptable**

Successful entrepreneurs are those who are open to ideas and suggestions from other people and tweak their business plan, products and services as per the need of the hour. They continuously adapt themselves as per the market dynamics and customer feedback. They accept their follies and are willing to adapt themselves to change in the business environment.

### **Efficient Fund Manager**

Since there is scarcity of capital in the initial days of setting up of a business and the revenue generation is slow, an entrepreneur has to be very efficient in management of funds as well as keeping a buffer for unforeseen circumstances. The planning has to be meticulous so that cost of funds does not become unbearable. At later stages, good money management can help increase margins and tide over adverse situations [1], [2].

### **Ability to Network**

It is vital for all entrepreneurs to have great networking abilities to get valuable advice and information from mentors, professionals, industry peers and other sources which can be very crucial in planning and execution of strategy.

### **Entrepreneurship and Society**

Entrepreneurship has a major contribution in the growth of a nation's economic development. So it is important to identify the motivational pulls enticing the people to become entrepreneurs and

also explain why some are more successful while others are not. An enterprise is greatly affected by the society. Thus, we can say, it is a part of society. In the social environment, both of them share an intimate bond where they affect each other and share their profits as well as loss. In this “affecting & being affected relationship” a proper balance has to be maintained. The entrepreneurs are not always motivated by the amount of profit earned or money made but they consider it as a standard for measuring success. An entrepreneur greatly gives an emphasis on self-reliance and looks for distinction through excellence. They are highly optimistic and they always prefer challenges having manageable levels of risk.

### Starting an Enterprise

An entrepreneur normally starts with a business idea and goes on to execute it into a thriving business. The various steps in this journey can be listed as under:

- i. **Generate a Business Idea:** The business idea has to be unique or filling a void in the present market. The idea has to be a solution to the problem and should be validated by experts and research studies before moving further
- ii. **Make a Business Plan:** It is a written plan on how the idea will be executed and includes mention of all resources and strategy which would be utilized to start and run the enterprise. It broadly has two components technical and financial.
- iii. **Assess your Financial Capabilities:** This is done to assess as to how much capital will be required for the business and what would be the sources for acquiring these funds. We can also decide the capital structure at this stage.
- iv. **Decide upon the Legal Structure of Business:** This involves deciding upon the organizational structure as well as the various regulatory and legal provisions required to be complied for running the business.
- v. **Register the Business with the Government:** This is the stage when the business gets life and a unique identity as it gets registered by the government under the relevant statute.
- vi. **Hire the best Possible Team:** The success or failure of an organization depends a lot upon its employees. The entrepreneur has to strive to get the best possible talent under limited financial resources. Also critical is to retain talent with employee friendly policies.
- vii. **Brand and Start Operations:** After everything is in place, comes the stage where a brand name is given to the product / service and it is launched in the market. It is a very critical stage and quality, price and distribution all has to be perfect in order to gather initial momentum [3].
- viii. **Advertise Your Product/Service:** It is essential to spread the word about the product among the prospective customers and hence various media platforms like print, outdoor, audio-visual, digital etc are utilized for running an advertising campaign. The company form of organization is most popular among entrepreneurs as it has the best scope of raising capital once the business grows in size. The following are the steps required in the legal procedure to start a company in India:

- a) Application for DIN online in form DIR-3 and Digital Signature Certificate.
- b) Decide for a Company name and check for its availability on MCA website.
- c) Drafting of Memorandum of Association and Articles of Association
- d) Filing of e-Forms with the RoC.
- e) Payment of RoC fees and Stamp Duty electronically.
- f) Verification of documents/forms by RoC.
- g) Issue of Certificate of Incorporation by RoC
- h) Filing of e-Form INC with RoC within 0 days from the date of incorporation of the company.

One of the most important requirements of starting an enterprise is arranging the capital for initial investment. There are many ways to do it depending upon factors like promoter's capacity, risk appetite, market conditions etc. Some of the prominent ways to arrange funds are described as under:

### **Bootstrapping**

This is the most basic form of arranging funds and relates to using one's own money to start the business. This is suitable for businesses which do not require heavy capital expenditure in the beginning and can be used till the stage of prototype. Normally people who bootstrap do not give up their existing jobs or sources of income.

### **Business Incubators**

The entrepreneur needs resources to work upon his idea in order to reach the prototype stage. During this process it is neither viable nor possible to commit to heavy capital expenditure on acquiring facilities for development. It is here that platforms or Institutions called Incubators step in which provide a host of services like office spaces, pilot plants, administrative support, legal advice and compliances, mentorship support etc. This helps the entrepreneur to a great extent as he doesn't have to worry about financial drain till he reaches the launch stage. Normally the incubation period is for two to three years. In exchange of providing these services, the Incubators can charge some fee or a share in equity of the proposed business. However, entry into an incubator is difficult as it is subject to a rigorous vetting of the business proposal by a committee. Various prestigious institutes in India like the IITs or IIMs have started their own incubators.

### **Angel Investors**

Once the individual is ready with the market version of the product or service, the next stage is to get seed capital. Angel Investors are those individuals or group of persons who invest into the launch stage of business and look forward to making money later by selling their stake at far higher prices. They provide capital in exchange of acquiring a stake which can be of any proportion as per the deal struck with the entrepreneur. Since they fund the business at very early stage, the risk undertaken is high and thus the returns demanded are significant in terms of

capital gains. There are various types of angels who can be sector specific or location specific and can be approached by entrepreneurs depending upon their business model [4].

### **Crowd-Funding**

This is becoming an increasingly popular method of arranging funds under which the entrepreneur showcases his idea to a large community usually through the internet. There are various such platforms available online where the fund seeker can post details about the idea, its potential and the probable rewards for the investors. The visitors can then see the post, evaluate it and then contact the entrepreneur for financial investment. It is very important that the presentation of the idea should be crisp, clear and impactful in order to generate a favourable response from potential investors.

### **Venture Capitalists**

After the seed funding stage is over the business has been successfully launched, it now requires large size investment to scale up the operations. It is at this stage that long term investors with sizeable funds are required by the entrepreneurs. Such investors are called Venture Capitalists. The angel investors normally sell their stakes to Venture Capitalists making huge capital gains in return. The Venture Capitalists have a long term commitment to the business and provide various series of funding so that the business can grow to its potential. The Venture Capital funds have a pool of funds from various investors which is then managed by professional experts who scan and analyze all investment proposals before making the final decision to obtain the stake in the new business.

### **Banks and NBFCs**

All the public and private sector banks have various schemes to finance the micro and small enterprises sector which provide funds at very reasonable cost. However, normally banks demand personal guarantees and collateral as security for the loans which is difficult for small scale entrepreneurs. To overcome this, the government has formed Credit Guarantee Trust for Micro and Small Enterprises. The member banks of this trust can provide credit facility up to Rs.0 lacs without any collateral and third party guarantee. In case of default, the trust indemnifies the banks by paying a major part of default. Almost all the major banks are member institutions of the trust and hence the benefit can be availed by applicants at their neighborhood bank branches.

### **Winning Contests**

These days various contests are organized by various platforms where entrepreneurs can participate with their business ideas. An esteemed jury judges the participants on the basis of the strength of the idea and the potential of its execution. Based upon their decision the winners are announced who then get funding of business idea as their prize. Normally such competitions are well publicized in media and thus can bring visibility to the entrepreneur. However, the amount of funding might not be large enough at these platforms.

### **Entrepreneurial Success and Failure**

Being a successful entrepreneur means more than just starting a new business. This means the right attitude towards the trade and the determination, along with the barriers to be faced to achieve success. Failure is a positive experience which is considered by an entrepreneur as a

challenge or opportunity for growth in the form of a prerequisite to success. It is viewed by them as a future value-adder, a profound teacher, a provider of new direction, an enhanced motivator and even as a path to achievement. Some of the reasons for their massive success of modern-day entrepreneurs are [5]:

- a) They have an entrepreneurial charisma within themselves. Moreover, they are willing to submit to the change as per the requirement of the business.
- b) They have leadership capabilities and are preoccupied with the aim of being successful in the long term.
- c) They manage to put together a highly professional management team along with a comprehensive financial control system.
- d) They have robust strategies which help them to lead towards the growth stages of the business.

These individuals consider fear of failure as part of the process which leads them to the goal of entrepreneurship. Failing is a tough lesson to research but important for majority of the marketers to be triumphant. Business letdown occurs when there is a rise in the cost or if the revenues have not been up to the expectations. It is seen that after a business failure, one ought to take a break before starting a new enterprise. Break usually enhances the emotional recovery which is mostly considered as a negative function of both emotional and financial loss. Hence it is critical to limit the financial losses in the beginning.

### **Decisions for Entrepreneurial Process**

Before beginning an enterprise, the entrepreneur needs to meticulously plan various aspects after identification of business opportunity. That includes accessing the viability of the project, deciding place for production, offices etc, scale of the project, sources of finance, type and number of personnel required, launch of the project and marketing strategy to be adopted by the business. Starting a business includes creating working solution of the business idea, designing an organizational structure, selection of a business model as well as undertaking a lot of legal compliances. Following key steps are required in this process:

#### **Careful designing of Business Plan**

Careful designing of business before launching is not restricted to getting ready with a business plan. The approach towards finalizing strategy can be of three types:

- a) Working in the concerned industry to gather a first-hand experience and insights about the market.
- b) Working with a mentor with great knowledge and relevant domain experience on partnership or consultancy basis.
- c) Ability to constantly evaluate the model and if possible, change it at affordable cost.

#### **Testing the Business plan**

After compilation of the business plan, it is essential to test some of its components tentatively and then fine tuning it as per the response received during the test.



**Knowing the Market**

One of the most crucial aspects while starting a business is to understand the market structure and its participants. This can be done by questioning others, conducting analysis or gaining expertise by engaging with the most suppliers, distributors, competitors and customers [6].

**Understanding the Customers**

A great understanding of the customer profile, their spending patterns, liking or disliking, reaction towards competitive products should be studied very carefully. A vetting of the consumer perception should be done by way of sample tests among customers, rapid surveys etc. An accurate understanding of customers is critical to achieving marketing success for the company.

**Establish money Resources**

A new business can get capital support from either its owners or from outsiders in the form of equity or debt. Capital structure decisions are to be taken in a judicious manner. Early estimates should be conservative so that adverse financial results can be avoided. Cash flow statements are to be made sensibly keeping in mind accurate stages of expenses and revenues.

**Choosing the proper organization structure**

It is very important at the outset to decide upon the most suitable organizational structure for the business. This is crucial because the legal and tax implications on the business depend greatly upon the type of structure of the business. It also gains significance for future growth and taking an exit from the business by selling or winding up.

**Entrepreneurial Environment**

Entrepreneurship is increasingly being recognized as one of the most important interventions for engaging increasing youth population across the globe. The government as well as the society is increasingly encouraging and welcoming the entrepreneurial spirit and welcoming and supporting people who take the plunge in converting their ideas into reality. Educational Institutions like colleges and universities are including entrepreneurship in their curriculum and inspiring students to take up the mantle of becoming entrepreneurs. The government, industry associations and other bodies are creating an environment to boost up the entrepreneurial mindset by providing platforms, schemes, incentives so that entrepreneurs are motivated to realize their dreams. Since it also leads to generation of employment, it is considered as an important social welfare intervention.

**DISCUSSION**

The holistic approach adopted by successful entrepreneurs plays a pivotal role in their sustained success and overall well-being. These entrepreneurs recognize that their professional success is intimately tied to various other aspects of their lives. They understand that focusing solely on business goals at the expense of personal well-being, relationships, and self-care can lead to burnout, strained relationships, and diminished creativity. By embracing a holistic approach, entrepreneurs prioritize a healthy work-life balance, invest in their physical and mental health, and nurture meaningful connections with others. One key aspect of the holistic approach is the recognition that personal growth and self-care are essential for professional success. Successful

entrepreneurs make time for activities that nourish their mind, body, and spirit, such as exercise, meditation, and hobbies. They understand that these activities not only contribute to their overall well-being but also enhance their creativity, problem-solving abilities, and decision-making skills. By taking care of themselves, entrepreneurs ensure they have the energy, focus, and resilience necessary to tackle the challenges and uncertainties of entrepreneurship. Additionally, the holistic approach emphasizes the importance of maintaining healthy relationships and social connections. Successful entrepreneurs prioritize spending quality time with family and friends, fostering strong support networks, and seeking mentorship and collaboration opportunities. They recognize that these relationships not only provide emotional support but also offer valuable insights, guidance, and opportunities for personal and professional growth. By nurturing these connections, entrepreneurs create a strong foundation of support that propels them forward and enhances their chances of success. Furthermore, successful entrepreneurs understand the significance of continuous learning and personal development. They seek out opportunities to expand their knowledge, acquire new skills, and stay updated on industry trends. This commitment to lifelong learning enables entrepreneurs to adapt to a rapidly changing business landscape and seize emerging opportunities. They invest in self-improvement through workshops, conferences, networking events, and reading, ensuring they remain at the forefront of innovation and industry advancements [7], [8].

### CONCLUSION

In conclusion, the holistic approach embraced by successful entrepreneurs is a powerful framework that enables them to thrive in both their personal and professional lives. By recognizing the interconnectedness of various aspects of their well-being, these entrepreneurs prioritize their mental and physical health, foster strong relationships, and continually invest in their personal growth and development. They understand that true success goes beyond financial achievements and encompasses overall fulfillment, happiness, and a balanced lifestyle. By embracing the holistic approach, entrepreneurs not only enhance their chances of sustained success but also create a solid foundation for long-term well-being and happiness. Aspiring entrepreneurs can learn from their example and integrate this holistic mindset into their own entrepreneurial journey for a more fulfilling and sustainable path to success.

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## CHAPTER 6

### AN ELABORATION OF THE SOCIAL ENTREPRENEURSHIP

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#### **ABSTRACT:**

One of the most relevant modern approaches to create social interventions is to find solutions to social problems by way of entrepreneurship. Social Entrepreneurs are those who recognize a social problem and create a solution using entrepreneurial ideas. They create a concept which addresses a public problem and in turn makes money. Their intention is not to create commercial business giants but aim at providing sustainable and scalable solutions to some of the pressing problems faced by the society. The government also promotes such enterprises through various incentives. Poverty, Marginalization and environmental degradation are some of the issues that lie at the heart of social entrepreneurs. One example of social entrepreneurship is that of creating and marketing products made at prison mates. The need of social entrepreneurs arises because of the huge gaps that are not addressed by the commercial enterprises and the government. The social enterprises can be for-profit or not for profit but they are run with managerial proficiency and are self-sustainable.

#### **KEYWORDS:**

Business, Employment, Profit, Entrepreneurship, Management.

#### **INTRODUCTION**

In the modern world, social entrepreneurship has become a potent force for good change. Social entrepreneurs combine commercial savvy with a strong desire to have a significant positive influence on society and the environment with a focus on tackling urgent social and environmental concerns. Social entrepreneurship aims to provide novel and long-lasting solutions to society problems as opposed to conventional business, which is only motivated by profit. In this introduction, the idea of social entrepreneurship is examined, along with its importance in promoting social change and the special traits and methods that set social entrepreneurs apart from their conventional counterparts. Understanding social entrepreneurship's guiding concepts and methods will help us better grasp how to use business enterprises to improve the lot of everyone.

The government's recently introduced Startup India program is based on an action plan designed to encourage the development of new goods and procedures that are fueled by technology and intellectual property. According to this program, a startup is an organization with its headquarters in India, which was founded less than five years ago, has an annual sale of less than \$25 crores, and aspires to create and market new goods and services or substantially enhance those that already exist. A smartphone application that would serve as the single window clearing platform under the program has already been released by the government. Tax holidays,

freedom from regulatory inspection, a lower patent registration charge, reduced self-certification compliance costs, and a shorter days-to-exit window are some of the advantages of the Startup India program[ 1].

### **Challenges for Entrepreneurs**

Starting your own business is a difficult journey to take. The entrepreneur will have to overcome a number of obstacles along the way. The process of developing an idea into a working business model is passionate, but once implementation begins, the promoters face several challenges. Here are a few of them:

#### **Raising Capital**

Obtaining the required quantity of cash at the acceptable price is one of the most important issues facing the entrepreneur. It is challenging for entrepreneurs to get funding from established financial institutions like banks or other finance organizations since they develop novel concepts that haven't been tried out in the market. While it is challenging to contact incubators, angel investors are equally tough to impress.

#### **Hiring Talented Employees**

A corporate organization's aptitude and talent are a major factor in determining its success. Because it is challenging to provide high compensation in line with the market, new businesses find it tough to hire brilliant employees. Additionally, people do not want to take a chance with new companies that have no market reputation or track record on their career possibilities. Large-scale staff hiring is extremely challenging, and business owners are always seeking for multitaskers.

#### **Cultural Issues**

Even though things are quickly changing, young, bright people still choose to be job searchers rather than employment providers. due to the high failure rate of new businesses and the social stigma attached to failure. Families often try to dissuade their members from taking chances and betting on novel ideas because they believe that failure will further restrict prospects in the future.

#### **Working with Limited Resources**

The new business must operate with constrained financial and human resources in addition to a tight budget. This is a significant obstacle, particularly when the entrepreneur is up against more powerful, established rivals. Limited marketing budgets and unfavorable financing terms are offered by suppliers in the market. The timeline for collecting receivables is also greater. All of this makes managing cash flow quite difficult [2], [3].

#### **Lack of Mentorship**

A smart company plan will always benefit from the guidance of a seasoned professional who can provide insightful counsel at the right moment in emergency situations. However, there isn't a structured mentorship program in place for companies, so anybody looking for advice must depend on personal connections or investors. A regular mentor can only deal with the various management-related concerns that call for knowledge.

### **Business Environment and Policies**

The different government laws and regulations make running a company difficult. It may be frustrating when many compliances, a lack of infrastructure, taxation regulations, etc. make life tough for the entrepreneur, especially in a nation like India that performs low on the "Ease of Doing Business" index.

### **Stress and Time Management**

Taking up financial and economic risk when starting a firm with little resources may be quite stressful for a person. As numerous activities must be accommodated within the constrained time available, this may also put a great deal of stress on time management. It becomes challenging to meet deadlines, which may be detrimental to physical health. One has to have the desire to start their own business in order to do so. The success percentage of new firms, particularly startups, is quite low and involves a lot of risk. It calls for creativity, taking calculated risks, effective management, a skilled team, diligent effort, and a will to succeed. In order to be successful, a person must acquire and hone their entrepreneurial talents. The value of innovation and entrepreneurship extends to the industry as it transforms how it generates goods and services. Recognising change, seizing opportunity, accepting risk and responsibility, continuously innovating, making better use of resources, creating new value additions that are significant and beneficial to consumers, and repeating the process over and over again are all characteristics of entrepreneurship.

The notion of creativity and its function in idea creation and idea screening are covered in this section. The key component of the idea generating process is creativity. The best ways to manufacture products and services and run the affairs of a new organization are determined by the most up-to-date methods and techniques, which may be determined via creativity. The process of generating and vetting ideas involves many processes. Each step must be made with caution. Technical, economic, ecological, commercial, and other challenges must be handled with precision throughout this procedure. Ability to create, bring into life, innovate into a new shape, generate via innovative talent, and contribute something new are characteristics of creativity. The ability to develop new ideas by mixing, altering, or reapplying existing ideas is what is meant by creativity rather than the capacity to create something entirely new. Others are simply plain nice, straightforward, and novel ideas that no one has yet thought of, while other innovative ideas are fantastic and work wonderfully. Additionally, everyone has a strong sense of creativity.

Additionally, creativity is a mindset, the capacity to embrace novelty and change, the openness to experiment with concepts and possibilities, an adaptable viewpoint, and the practice of appreciating the positive while always seeking for ways to make it better. Creativity is a process as well. By making little, steady changes and improvements to their works, creative people strive arduously and continuously to develop ideas and solutions. When a product is both original and useful, it is creative. It takes effort and passion to be creative. There are several ways that creative thinking may make decision-making easier. Creativity is often seen as a crucial component in issue resolution. It has also been shown that creativity for the sake of creativity may provide successful results in an analysis of artist vs commercial orientation. The creation and execution of original, useful ideas to launch a new business has been described as entrepreneurial creativity. While Carson et al. and Bridge et al. consider creativity as a critical ability for small and medium-sized businesses, Kao views it as a competitive advantage [4], [5].

## Factors Affecting Creativity

### a) Social Factors

New ideas often emerge in social and professional settings. Creativity is sparked by freedom, challenge, enough resources, organizational support, acknowledgment, and encouragement, as well as by the trust and open communication of the work group. On the other hand, organizational barriers like as politics, harsh criticism of novel ideas, a culture of risk avoidance, and intense workload pressure may stifle innovation.

### b) Technological Factors

Different technologies have been created to encourage the development of ideas. There are several software tools that help in idea creation. Every program often focuses on assisting a certain technique. The programs aid in issue definition before idea generation and may provide stimuli that foster creativity. The speed at which ideas may be generated is one of these programmers' key benefits. The created ideas may sometimes be saved in an ideas bank and retrieved at a later time. Among the software options are Idea fisher, Serious Creativity, in link, Idea pro, and Brainstormers.

## Creative Process

To launch a new business, entrepreneurs need ideas. However, excellent ideas don't just appear. They develop via a creative process in which ideas are conceived, grown, and refined by the group of creative individuals. There are six phases in the creative process:

**Stage 1:Task Presentation:** This phase deals with thoroughly comprehending the issues and being motivated to produce the desired outcome. It takes a person to have a great passion and interest for the solutions and alternatives. The second stage follows this one.

**Stage 2:Preparation:** Preparation: It involves actively looking for answers and learning more about the issue. It is carried out utilizing a variety of subjective and objective ways, such as being open to new experiences, analyzing possible approaches to the work, tolerating ambiguity, being ready to reinterpret ideas, having divergent cognitive processes, having intuitive capacity, etc.

**Stage 3:Incubation:** The process of subconsciously assimilating information is called incubation. It entails taking in information and looking for concepts, solutions, and potential answers. The answers are not influenced by human thinking. The subconscious mind makes use of unexpected information that is challenging to integrate logically as well as human fancies. Fourth stage follows after this [6].

**Stage 4:Idea Generation:** Idea generation: At this stage, several concepts and solutions are developed. Ideas reappear at this stage as actual creations. Different approaches to the issue are used, drawing on personal experiences, insights, and anxieties. Ideas are acknowledged as being realistic. It conveys a feeling of understanding. Typically, it is set off by a favourable circumstance. Validation of ideas: The viability and usefulness of the ideas developed in the previous stage must be confirmed. Entrepreneurial effort is needed to transform the produced ideas into applications that are validated, feasible, and helpful. It is the phase when knowledge is polished and put to use. Each suggested fix is evaluated in relation to the issue.

**Stage 6: Outcome Assessment:** Assessment of the creative process's results may either result in the accomplishment of the objective finding a unique concept or solving a challenging issue or in no advancement at all. The creative process stops in both situations.

### Components of Creativity

Within every individual, creativity is a function of three components:

- i. Expertise:** All of a person's knowledge and technical skills within the wide field of their profession are included in their expertise.
- ii. Creative thinking skills:** The ability to combine preexisting ideas in fresh ways is what is meant when someone uses creative thinking to tackle challenges and find answers. The actual talent is very much influenced by personality as well as by how a person works and thinks.
- iii. Motivation:** Motivation is the need to accomplish something, a passion or interest that comes from inside.

People that are genuinely driven work because they appreciate the challenge and find it enjoyable. Robert Gahim believes that anticipation and dedication are essential components of creativity. Having a vision of something that will be significant in the future before anybody else does requires anticipation. The conviction that drives one to persevere in realizing the goal in the face of uncertainty and discouragement is called commitment.

### Idea Generation and Screening

The company concept comes from a market opportunity. It comes from the desires and demands of the current clientele that business owners recognize. In order to match the demands and wishes of the customers with their product or services, they must be highly proactive, sensitive, and swift. Therefore, an entrepreneur has to be sharp and open-minded in order to see chances and come up with company ideas. The company concept must be practical and marketable from an entrepreneurial and commercial standpoint. There is no impartial evaluation to determine if a company concept is suitable. To determine if a concept is feasible, use these rules:

- i.** Make use of entrepreneurial skill it must allow the entrepreneur to make use of his talent. This gives the entrepreneur more confidence.
- ii.** Utilize locally accessible raw materials it is simple to get and transform raw materials found in neighboring or local marketplaces. It lowers the price of goods. As a result, it ought to permit the utilization of locally accessible raw resources.
- iii.** Assist business owners in creating products with solid long-term potential. The product should be designed such that the business owner may benefit from long-term low costs and maximum profit.
- iv.** Make it possible for the entrepreneur to employ certain tools, technologies, and technical know-how that are already at their disposal. It should encourage the creation of new goods using already-available materials to help businesses save money.

The RAND Corporation invented the Delphi Technique in the 1950s. In DT, the opinions of experts are surveyed and then peer-reviewed. A small team is formed to create a collection of



questions on the subject after selecting a group of specialists to participate in the process. The experts are then sent the questionnaires and some supporting materials on the subject by this team, or they are given the information during in-person meetings. The survey responses are given anonymously by each participant. The group compiles the replies afterwards and statistically analyses them. Based on the experts' replies, the team creates a new set of questions, which they then re-distribute to the experts together with the collected data. The group keeps going through this procedure until a decision is made. DT places a strong emphasis on expert consensus. It has been discovered to be helpful in situations where statistical data is crucial, such as predicting.

### **Brainstorming:**

Brainstorming is one of the most common free association methods. It may be done vocally or electronically. Alex Osborn first suggested brainstorming as a way to get as many ideas from group work as feasible. He said that if a group follows a methodical process and adopts four guidelines, it may produce twice as many ideas as an individual working alone. To address social and motivational challenges that can prevent the development of ideas in groups, Osborn proposed these guidelines. They are as follows:

The 'brainstorming' technique was created in the late 1960s, and nominal group technique is a version of it. NGT is a method for coming up with additional solutions to problems during in-group sessions. NGT was first designed for in-person group discussions. The two components of this method are idea generation and concept discussion. Members of the group are seated around a table so that they can all see one another throughout the meeting. The issue is explained to the group by a leader. Each participant puts their own thoughts on a card or a pad for the first section. While composing their thoughts, the participants keep to themselves. Each group member then makes their own presentation. The group's leader writes the concepts on a board that is plainly visible to everybody. The conversation begins in the second section, and the facilitator solicits feedback from the group on each concept. At this point, further ideas may be contributed. Each group member ranks their own favorite ideas on a card when the stage of comments is complete.

### **Solo Brainstorming:**

This method of personal creation was first put out by Aurum. It works well in settings where sentential analysis is suitable or if the information sources are based on documents. It calls for the person to follow a structured process in which a number of papers are looked at and then altered.

**Mind Mapping:** This method starts with writing down a main idea in the centre of the page, and then working outward in all directions producing a growing and organized structure composed of key words and key images.

**Factor Intensity Oriented Classification:** Based on this, projects can be classified as capital intensive and labor intensive. If large investment is made in plant or machinery the project will be termed as capital intensive. On the other hand, project involving large number of human resources will be termed as "labor intensive".

**Causation-Oriented Classification:** Projects may be divided into two categories: those based on demand and those based on raw materials. The project is considered to be raw-material based

if certain raw materials, skills, or other inputs are readily available, and it is said to be demand based if specific items or services are in high demand for the project.

**Magnitude-Oriented Classification:** This determines if a project is big, medium, or small in scale based on the amount of expenditure required. Project identification and project selection are the two primary processes in the selection of a project. A new venture's initial stage is project identification. An entrepreneur may accomplish their goal with the appropriate guidance. If not, he will encounter a variety of issues. Entrepreneurs must consequently priorities project identification. In order to find potential investment possibilities, project identification and screening is concerned with gathering, compiling, and analyzing economic data. Finding a viable and lucrative project concept is the first step in starting a successful business. Finding these possibilities calls for creativity, attention to environmental changes, and a realistic evaluation of the company [7], [8].

## DISCUSSION

In recent years, social entrepreneurship has become a potent driver for positive social change and sustainable development. This debate explores the idea of social entrepreneurship in further detail, looking at its ramifications, difficulties, and possibilities for profound change. The combined emphasis on both financial viability and the development of social value is one of the main characteristics of social entrepreneurship. Social entrepreneurs are able to address urgent social and environmental concerns in ways that conventional methods may ignore by fusing entrepreneurial tactics and novel business structures. Finding and pursuing creative solutions to systemic issues is a key component of social entrepreneurship. Deep grasp of social concerns and a desire to effect change are what motivate social entrepreneurs. They are often inspired by a strong sense of duty to a cause or a burning desire to improve the lot of others. This dedication results in a distinctive method of problem-solving that is marked by inventiveness, flexibility, and a readiness to question the status quo. Social enterprise can present certain difficulties, however. The viability and scalability of social initiatives might be hampered by limited access to financial resources, legal obstacles, and the complexity of social issues. Furthermore, it may be challenging to measure and quantify social effect since it often entails enduring changes that are hard to measure using conventional measurements.

Nevertheless, social entrepreneurship offers a wide range of possibilities for tackling the difficult problems of our day. It encourages cooperation between many stakeholders, including as governments, NGOs, companies, and local communities, in order to jointly create creative and long-lasting solutions. By generating employment, empowering marginalized communities, and stimulating local economic growth, social entrepreneurship also plays a critical role in promoting inclusive economic development. Additionally, social entrepreneurship has the ability to motivate and equip people to participate as change agents, fostering a wider culture of civic engagement and social responsibility. Societies can inspire more people to begin entrepreneurial journeys that priorities social impact by displaying effective social companies and promoting the principles of social entrepreneurship. Utilizing the potential of business to solve social and environmental issues, social entrepreneurship is a vibrant and developing sector. Social entrepreneurs are laying the foundation for a future that is more inclusive, sustainable, and fair by fusing commercial savvy, creativity, and a dedication to social change. The potential for good change and transformational influence via social entrepreneurship is evident, notwithstanding any challenges that may lie ahead. Recognizing and promoting the expansion of social

entrepreneurship as a driver of social advancement and sustainable development is vital for people, organizations, and politicians.

### CONCLUSION

In the modern world, social entrepreneurship is a powerful force behind social transformation and sustainable development. The notion of social entrepreneurship has been examined in this study, with an emphasis on its distinguishing traits, difficulties, and potential for having a transformational effect. Social entrepreneurs have shown their capacity to address challenging societal challenges and promote inclusive economic development by fusing entrepreneurial principles with a focus on social value creation. Social entrepreneurship continues to inspire and enable people to become change agents despite resource limitations and measurement challenges. Social entrepreneurship has the potential to build a more just and sustainable future by encouraging cooperation and novel ideas. As a potent instrument for constructing a better society for everyone, social entrepreneurship must be recognized and encouraged by people, organizations, and politicians. We can jointly solve urgent issues and move towards a more inclusive and prosperous society by using the zeal and ingenuity of social entrepreneurs.

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## CHAPTER 7

# AN ANALYSIS OF THE DETERMINANTS OF ENTREPRENEURIAL GROWTH AND EXPLORING THE ECONOMIC AND NON-ECONOMIC FACTORS

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### ABSTRACT:

The topic of the determinants of entrepreneurial growth, with a specific focus on exploring the economic and non-economic factors that influence entrepreneurial activity. It highlights the significance of entrepreneurship as a driver of economic development and job creation. By analyzing the interaction of various factors such as labor market regulations, technological advancements, innovation, access to finance, and the personality traits of entrepreneurs, this paper sheds light on the complex nature of entrepreneurial growth. It emphasizes the role of resources, opportunities, and skilled individuals in fostering entrepreneurial activity within a given regulatory framework and cultural context. Moreover, it discusses the impact of macroeconomic conditions, regulatory environments, and cultural values on entrepreneurial decision-making and the overall effectiveness of entrepreneurship. The abstract also acknowledges the empirical evidence suggesting that individual characteristics, economic conditions, and cultural values influence entrepreneurial activity. Overall, this abstract provides an overview of the determinants of entrepreneurial growth and underscores the interplay between economic and non-economic factors in shaping entrepreneurial outcomes.

### KEYWORDS:

Economic Factors, Entrepreneurial Growth, Entrepreneurship, Non-Economic Factors, Regulatory Framework, Cultural Values.

### INTRODUCTION

Entrepreneurship plays a pivotal role in driving economic growth, job creation, and innovation within a society. Understanding the determinants of entrepreneurial growth is crucial for policymakers, researchers, and aspiring entrepreneurs alike. This introduction sets the stage for exploring the economic and non-economic factors that influence entrepreneurial growth. By delving into the intricate interplay between these factors, we gain insights into the complex dynamics that shape entrepreneurial outcomes. Examining elements such as regulatory frameworks, cultural values, access to finance, and innovation, we can decipher the underlying mechanisms that contribute to the success and sustainability of entrepreneurial ventures. Furthermore, by comprehending the impact of macroeconomic conditions and the traits of individuals involved in entrepreneurship, we can gain a holistic understanding of the determinants that shape entrepreneurial growth. This exploration seeks to deepen our knowledge

and provide valuable insights into fostering a conducive environment for entrepreneurial development and its consequent benefits for the broader economy.

You learned how creativity aids in idea development, project identification, and project screening in the previous unit. Entrepreneurship is a way of thinking and doing business that combines risk-taking, innovation, and creativity with effective management in a new or current organization. Entrepreneurship has been characterized by numerous writers on occasion via the interplay of several disciplines, including economics, management, organization, sociology, and philosophy. The ideas, attitudes, and social environment that may either encourage or inhibit personal entrepreneurship are referred to as the social and cultural context of entrepreneurship development. Certain behavioral expectations are imposed by culture, which is the expression of the values and ideas of the community. The Max Weber hypothesis, which discussed the impact of the Protestant religion on the development of capitalism, was concerned with the importance of beliefs, values, and attitudes in economic growth.

You will learn about the factors that influence entrepreneurship in different regions as they are explored by scholars from both developed and developing countries in this unit's examination of the factors that influence entrepreneurship growth. Numerous theories have shown how regional and cultural elements have an impact on entrepreneurship and how members of certain communities have the necessary abilities to succeed in the business sector. The development of human resources, their efficient use, and their desire for entrepreneurial endeavors must be prioritized if entrepreneurial growth is to be achieved. Entrepreneurial expansion may be measured in terms of staff members, clients, liquidity, sales, profit, geographical locations, etc. Whatever criteria is being used to illustrate entrepreneurial development, it can be claimed that the notion is that the entrepreneur who understands the risk and consciously accepts it will grow in any situation. The turnover rate of firms in a country's economy is the net result of adding both firm births and firm deaths, and it may be an indicator of business dynamism, according to a report on entrepreneurial determinants: culture and capabilities published by the European Union in 12; the report also stated that the general measures to establish entrepreneurial growth are as follows:

- i. Creation of more and better job,
- ii. Economic growth,
- iii. Poverty reduction

The development of entrepreneurship in a given nation is inversely correlated with these metrics' scores. An entrepreneur spots the imbalance between supply and demand and sets up all the money, materials, and labour needed to close the gap. Numerous elements, which are largely separated into economic and non-economic causes, have an impact on this entrepreneurial development [1].

### **Determinants of Entrepreneurial Growth**

The expansion of the entrepreneurial sector in a nation is mainly influenced by both economic and non-economic factors. They cover a wide range of topics, including laws governing the labour market, advances in technology, innovation as shown in patents, the ease of obtaining finance, and the entrepreneurial personality attributes. One approach to look at these factors is to think about how a certain set of assets, opportunities, and skilled workers can boost the

development of entrepreneurship and entrepreneurs in a specific regulatory environment and cultural setting. The development of entrepreneurship is the result of choices based on both discovered possibilities and personal characteristics, as shown by the eclectic theory of entrepreneurship. According to his capacity for risk-taking, the person making such a choice evaluates other forms of work such as self-employment versus wage employment. The demand supply function of entrepreneurship is accelerated in a specific nation when the systematic circumstances, such as macroeconomic conditions, regulatory framework, etc., are supported. These factors also influence individual decisions.

The empirical evidence from studies suggests that determinants are divided into three categories: personal traits that increase an individual's propensity for entrepreneurial activity; economic factors of the region in which an individual resides that may influence the income from entrepreneurial activity and, consequently, the choice whether to become an entrepreneur; and cultural values of the community in which an individual resides that may influence the decision to become an entrepreneur. Even though there are several studies that outline the factors that influence entrepreneurial development in a certain nation, it has been noted that the research to far indicates that the distinctions are more about the meaning. It is stated that the interaction of three factors opportunities, qualified individuals, and resources leads to entrepreneurship. The surrounding regulatory environment and culture have an impact on all three of these characteristics. According to the literature, the term regulatory framework refers to all taxes, laws, and other public policies that have an impact on entrepreneurship.

This subject includes all measurements of taxes, rules, and other laws that either boost or lower the incentive for entrepreneurial activity. The third component culture which has an impact on every aspect of the entrepreneurial model, is the last one in the framework. An entrepreneur's actions, attitudes, and general effectiveness are influenced by culture. Each person's assumptions, adaptations, perceptions, and learning make up their culture. Additionally impacted by fundamental macroeconomic factors is entrepreneurship. Six topics are used to define the factors influencing entrepreneurial success in the European Union study on culture and entrepreneurial capacities. Figure.1 illustrates the economic effect of entrepreneurial growth, its drivers, and the total of the remarks made above. Entrepreneurship is believed to be a mentality that is independent of the presence of an entrepreneur. Actually, a business that encourages entrepreneurship produces more entrepreneurs and offers them more chances. The nation's market circumstances generate opportunities. Public participation in markets, market competitiveness, access to overseas markets, procurement regulation, and other factors are examples of these market circumstances [2].

### **Social Determinants of Entrepreneurial Growth**

According to studies, the factors that influence entrepreneurship and/or its effects may vary across industrialized and developing nations. The institutional context, demand factors, and supply factors are the three groups into which this research have split the variables. Even while the social factors and the part they play in entrepreneurship are the emphasis of this unit, it is still vital to at least get acquainted with each one. As a result of knowledge, competence, skill, daring, inventiveness, and action, it has long been known that entrepreneurship is largely an individual trait. However, social and cultural environment may either support or undermine a person's entrepreneurial views. According to some researchers, variations in the rate of entrepreneurship are explained not only in terms of the traits of entrepreneurs, such as education,

industry of employment, occupation, experience, and income, but also by the traits of the region where they were born, spent their formative years, or held their previous employment, before launching their business. In this setting, social variables are given greater weight than other factors. There is a substantial body of research in management and economics that examines how a person's vocational choices are influenced by their personal traits and those of the community in which they reside. Some writers have shown with the aid of empirical investigations that tax structure has a significant impact in fostering an atmosphere that is favourable for the emergence of entrepreneurs. Entrepreneurs become more risk-averse when the marginal tax rate on capital gains rises, and investments in their companies rise as a result of higher taxes on income from other sources. Therefore, contrary to what common sense would have us believe; taxes really stimulate the expansion of the entrepreneurial sector. According to Djankov and Klapper, legislation pertaining to launching a new firm has a crucial impact in the development of the entrepreneurial sector. Regulations regarding access to financing, the protection of intellectual property rights, the protection of creditors' rights, and personal bankruptcy law are a few of the start-up cost components that are reviewed and explained. Contrary to common assumption, the regulation would boost the development of the economy if these legal requirements help an entrepreneur and the stakeholder's entrepreneurship. The expansion of entrepreneurship also depends on market circumstances that are affected by population size, density, and employment. Because poor infrastructure investment leads to few or no jobs for the population and encourages entrepreneurial activity, high unemployment has a positive correlation with entrepreneurial development. The findings of research conducted by the Global Entrepreneurship Monitor, which are periodically released, show that Sub-Saharan nations have a high rate of entrepreneurial development.

Some studies have also shown that social factors influence economic decisions across all areas, whether they are in rich or developing nations. Social interactions have an impact on a community's knowledge base, and members of the community with business expertise share their knowledge with others and inspire them to pursue entrepreneurship. It can be shown that this kind of connection leads to the development of entrepreneurship in certain areas. Through these social contacts, societal norms are ingrained that may impact economic phenomena like unemployment, attitudes towards saving, and economic development. Weber and McClelland demonstrate that cultivating an entrepreneurial mindset requires acceptance of society and its well-established norms. In a given culture, a person looks for work or engages in economic activity not just for the money it would bring in, but also for the social approval it would provide him. It is also noteworthy that societal norms like the fear of failure often inhibit individuals from innovating, yet innovation rates are fairly high in nations where failure is not frowned upon. Landier demonstrated this point with the aid of an example by saying that nations where failure is connected to poor luck are more entrepreneurial than nations where failure is connected to incompetence.

People in the first group of nations promptly close down any unfortunate unsuccessful businesses and launch new ones. Similar to this, some groups have higher rates of entrepreneurs since these individuals tend to take greater risks. In addition to this, civilizations where helping one another is considered the norm often have easy access to finances. People who have relatives who are or were self-employed are more inclined to pursue self-employment themselves, according to a typical finding. The tendency for people to choose self-employment may be the cause of this association. One may argue that family members who work for themselves pass on their talents

and willingness to take risks to other family members. In his research, Guiso demonstrated that there is a larger acceptance of capitalism and, as a result, a more favourable atmosphere for entrepreneurial activity in nations where the populace is more religious. Additionally, it is said that these factors constitute hurdles to entrepreneurship in a society when they are unfavorable. We were able to pinpoint certain key societal factors that influence entrepreneurial development after carefully examining more of this kind of material [3]:

**i. Social Norms:**

The standards of conduct that are accepted in a group or community are known as social norms. Those who do not adhere to these standards may face consequences or be ostracized. Norms may alter or be updated throughout time depending on the surrounding circumstances. Social norms have a direct influence on entrepreneurial success by influencing how one's own reference group perceives one's entrepreneurial activities. For instance, they could have an impact on the prestige given to certain professions. In this regard, social norms might assist in illuminating the genesis of non-financial advantages associated with entrepreneurial activities. Other social scientists besides economics have known for a long time that choosing a profession may be influenced by the status that various social norms attach to it. One may argue that societal norms, which make certain occupations attractive and highly respected in various communities, may account for some of the observed disparities in entrepreneurial activity in various civilizations and nations.

**ii. Role Models:**

A person who is looked to by others as an example to be copied is called a role model. When people have role models in their society or peer group to emulate, entrepreneurial growth is seen to be on the rise. An excellent technique for entrepreneurship development is social influence, which demonstrates how a select few make decisions that have a significant impact on the rest of the population. When we speak about the start-up movement in India today, Vijay Shekhar Sharma, the creator of Paytm, and Sachin and Binny Bansal, the founders of flipkart, are often cited as role models. But Sri N. R. Narayana Murthy, who founded Infosys in 1981 with a few of his friends, is the most significant figure who is credited with making the concept of entrepreneurship renowned in India. People like this give citizens hope and demonstrate how things can be accomplished despite a lack of resources. A culture that has created social norms that encourage entrepreneurship provides its young generation with knowledge on role models through numerous media, including the internet, case studies, and special programs. The connection with these individuals who have excelled as entrepreneurs inspires and equips the ambitious participant physically and intellectually to tackle obstacles and introduces them to actions taken to enhance their efforts.

**iii. Social Pressure:**

Social pressure is the direct influence of peers on individuals or the encouragement of a person to follow their peers by altering their views, beliefs, or behaviors to fit in with the group or individual exerting the influence. Private wealth accumulation is seen as antisocial activity in certain nations, and as a result, people are under societal pressure to avoid pursuing wealth creation via the growth of businesses. Additionally, it has been seen that in certain communities, individuals engage in commercial operations only on credit in order to demonstrate their bad financial situation, even when the loan is really backed by their savings with the same banks. The majority of Africa's sub-Saharan nations are like this. India has a wide range of societal pressure



factors; in certain locations, like Gujrat and Rajsthan, there is positive pressure to start a business, but in many other regions, parents do not want their children to follow an entrepreneurial route. The social pressure is often felt via the curious looks or discussions that occur around such persons. It has also been noticed that if you come from a non-enterprising society and start a new firm, your family would be quite hostile towards you since they don't understand the hardship you are going through but assume that you will be wealthy like the Ambanis and Facebook. A peer mentor will act as an angel in this scenario, helping you manage the stress brought on by the social pressure. A peer mentor might be the ideal addition to an entrepreneur for his progress, just as a personal trainer is crucial for keeping a healthy lifestyle. Simply put, we may say that social pressure is the factor that can either make or destroy you as an entrepreneur [4].

#### iv. **Respect and Status:**

Theorists like Hagen and McClelland developed the ideas of Status withdrawal and Need Achievement, which claimed that social variables like the need for respect and status had a significant impact on entrepreneurial development. The crucial point that he emphasized was that a person or a group identifies with their social standing, which is primarily determined by either familial or economic supremacy. A individual or group may sometimes experience a circumstance when their social respect or status is lost owing to conflict, migration, the introduction of a new religion, or the economic dominance of an enemy society. Each of them may have a distinct personality due to their varied reactions. Hagen proposed four types for these reactions:

- a) **Retreatism:** Entrepreneur who continues to work in society but remains indifferent to his work or status.
- b) **Ritualist:** One who works as per the norms in the society but with no hope of improvement in the working conditions or his status.
- c) **Reformist:** One who is a rebellion and tries to bring in new ways of working and new society.
- d) **Innovator:** An entrepreneur who is creative and try to achieve his goals set by himself.

Hagen also used the example of the Japanese Samurai society, who had enjoyed great rank but eventually withdrew. In an effort to restore their lost respect, they became more active and powerful, giving birth to many businesspeople. Security is the condition of feeling secure, stable, and free from fear or worry, or it is the condition of not being threatened or in danger. All people must feel secure in order to put out economic effort. Social security, which is defined as protection supplied by society to its members against providential misfortunes over which an individual has no influence, has increased significance in this setting. The fundamental tenet of social security is that the Community/State should assume responsibility for providing all of its inhabitants with a basic level of material wellbeing on a foundation that is sufficiently broad to account for all of life's major occurrences. In another view, social security serves mainly as a tool for promoting economic and social fairness. When personality features are under control, this sense of security is crucial for the growth of entrepreneurship. More creative ideas are produced and tested commercially in societies or nations where social security is strong and people are willing to take risks, whereas in societies or nations where social security is low, people are

unable to bring their ideas to life despite possessing an inventive mindset. Though this point is controversial, some studies have discovered that social security in certain nations has a detrimental impact on the entrepreneurial mentality, making people less willing to take risks since their futures are guaranteed thanks to government regulations [5].

**v. Caste Factor**

Caste refers to any class or group that is seen to be socially different or that inherits special advantages. As is generally known, the caste system served as a division of labour as well as a system of social stratification. A historically assigned vocation was associated with each caste. Additionally, it is known that certain classes and religions have greater entrepreneurial development. The caste system is a societal factor that affects entrepreneurship and has an effect on job mobility. People from the Parsi, Gujrati, and Sindhi communities are, on the whole, more entrepreneurial and supportive of enterprise. All around the globe, it is typical for certain ethnic groups to dominate. Examples in this respect include Western protestant ideals, French family businesses, Samurai in Japan, and American trade classes. People who exhibit qualities like honesty, diligence, care for quality, and organizational skills are more likely to become entrepreneurs, and their development may be sped up if they are born into a certain caste.

**vi. Family Background:**

It comprises a variety of family-related factors, such as family size, family makeup, and financial standing. Those that come from wealthy or well-connected families have a strong influence from family on their entrepreneurial growth. It has been shown that people from blended families are considerably better equipped to establish their enterprises than other people since they have a better awareness of diversity and market dynamics. Due to their familial backgrounds, these individuals benefit from appropriate treatment when coping with stress and have greater access to financial resources. Another factor that matters to an entrepreneur is their family's urban upbringing, which exposes them to the most recent advancements in marketing, technology, and financial access. Although having a rural upbringing is not inherently disadvantageous, having an urban upbringing provides entrepreneurs a distinct advantage.

**vii. Education:**

Education is mental training, and having the appropriate mentality is the key to success in business. One of the finest ways to increase a person's competences, make them resourceful, and inspire them to pursue entrepreneurship is via education. According to several research, the majority of entrepreneurs during the last 20 years had strong educational backgrounds. Better educated people are more likely to engage in entrepreneurial activities, according to Warneryd in 87, who supported his claim with a sample of Swedish citizens. Contrarily, Johansson demonstrated in the year 2000 that those with less education are more likely to become entrepreneurs by studying a sample in Finland. Therefore, it is clear that the link between education and entrepreneurship produces different outcomes when other elements, such as personality characteristics, family history, etc., are present. According to Lazear, MBAs with a more varied education are more likely to become business owners. It follows naturally that a less specialized and more general education may encourage more entrepreneurial activity [6].

### **viii. Attitude of Society:**

The theories have repeatedly shown how public perceptions of entrepreneurs and entrepreneurship have a significant role in predicting future entrepreneurial activity. This attitude is the outcome of the interplay between a person's personality, family history, and the level of entrepreneurship in the area they are from. It has been noted that the procedure of beginning one's own company in India is so challenging that many get discouraged from pursuing their business ideas further. Understanding public perceptions would provide guidance for formulating policies and fostering entrepreneurship. It would be simpler for policymakers to promote entrepreneurship if there was a favourable attitude towards entrepreneurs. The establishment of training facilities for entrepreneurs by different organizations demonstrates a shift in societal attitudes towards supporting and developing entrepreneurial ability. Indicative of such thinking at the government level in India is the establishment of national institutions like the Entrepreneurship Development Institute in Ahmedabad, and the steadily rising enrollment in such courses demonstrates that even society's perspective is shifting towards entrepreneurship. To help "technopreneurs" and other innovators, a number of institutions in the US, Singapore, the UK, and India established specialized cells. These organizations provide fundamental managerial skills and knowledge of how to launch and operate a firm, as well as serve as incubators for emerging companies until they can support themselves.

### **Cultural Value:**

The culture of a given group or community is defined as its beliefs, traditions, and social behavior. Most aspects of entrepreneurial development are influenced by culture, which is also the framework's ultimate determinant. An entrepreneur's behavior, attitudes, and overall performance are influenced by culture, which frequently goes unrecognized by the entrepreneur. The desire for company ownership, the risk-taking mentality in society, and entrepreneurship education are some examples of policies that have an impact on culture. Risk-taking and failure-aversion, perceptions of entrepreneurs and entrepreneurship, attitudes towards establishing a firm, and ambition are a few markers of the culture that will foster entrepreneurship in a country.

Israel has the audacity to claim the moniker "Startup Nation" while being a nation that is even smaller than the state of Kerala. Out of a population of eight million, 200,000 work in the high-tech sector and provide % of the nation's total export GDP. Israeli startups generated \$ billion in exits in 2015, and Israeli businesses are listed on the NASDAQ. The nation has been working hard to foster an innovation culture for a while, and it has been effective in building a thriving environment for businesses to flourish. Additionally, many firms look globally from the start since the native market is so limited. Israel's position as the third-largest country for US-registered patents comes as no surprise. Israel is home to R&D facilities for cutting-edge tech corporations including HP, Microsoft, Google, and Facebook. Israel's startup environment and innovation are largely supported by its people and the need for creativity and self-reliance [7], [8].

This ecosystem is strengthened by the government's innovation policy, its armed forces, and its collaborative and diverse culture. Universities in Israel, such as Ben Gurion University, Tel-With its R&D hubs, Avi University and Hebrew University provide excellent incubation hubs for fostering innovation. The correct attention is put into the design of VCs, accelerators, incubators, and industry programs like JVP, JVP Media Labs, Cyber spark, We Work, SOSA, and TAU to support great businesses. Israeli authorities claim that "there is a spirit of cooperation and

openness. Entrepreneurs want to support the nation and its ecosystem. They assist the innovation culture and aspiring businesspeople. The capital of Israel, Tel Aviv, is ranked fifth in the world among cities with the best startup ecosystems. "If you've ever gone to Israel, you know how business is conducted there. We must be bold. I assume that how we see ourselves in our brains is how others see us. People will see you as successful if you believe you are successful. Consider the obstacles that Israeli business owners must overcome. We have to start thinking globally from the outset since there is almost no local market, according to Elena Donets, CEO of Star Tau, the Tel Aviv University Entrepreneurship Centre. Israel is a multicultural country with a large immigrant population. People from diverse places move to Israel, and as a result, they bring with them varied views and a willingness to work together. Israelis are distinguished by their refusal to take anything at face value. They'll always wonder why they should pay attention to someone without a compelling argument, Elena continued. She also emphasizes that all Israelis are required to serve in the army. Therefore, it makes sense that the Army serves as a source of many creative ideas. They take such technology and use the information in other civilized industries. Elena claims that beginning is the new religion of the globe. In Israel, there are too many businesspeople and ideas circulating. Everyone wants to work in this industry without realizing that not everyone should be an entrepreneur, she remarked. Elena continued by saying that she depends on the ABC "mantra" to succeed in this industry. "Start off without hesitation. You should be wild and take chances. Increase your network. It may include your close friends, relatives, peers, and mentors. You may connect with investors via mentors. You ought to discuss your job at all times. People cannot draw connections if they are unaware of precisely what you are doing. Making relationships should be the aim of every entrepreneur. Celebrate failure, Elena concluded. Finally, a strong ecosystem revolves on people, and as Elena said, in Israel, experienced entrepreneurs often advise younger ones. Little assistance may go a long way. The designation "Startup Nation" appears appropriate for Israel given the fascinating mix of its firms and its thriving ecosystem.

The development of human resources, their efficient use, and their desire for entrepreneurial endeavors must be prioritized if entrepreneurial growth is to be achieved. Entrepreneurial expansion may be measured in terms of staff members, clients, liquidity, sales, profit, geographical locations, etc. Whatever criteria is being used to illustrate entrepreneurial development, it can be claimed that the notion is that the entrepreneur who understands the risk and consciously accepts it will grow in any situation. The expansion of the entrepreneurial sector in a nation is mainly influenced by both economic and non-economic factors. They cover a wide range of topics, including laws governing the labour market, advances in technology, innovation as shown in patents, the ease of obtaining finance, and the entrepreneurial personality attributes. One approach to look at these factors is to think about how a certain set of assets, opportunities, and skilled workers can boost the development of entrepreneurship and entrepreneurs in a specific regulatory environment and cultural setting. The demand supply function of entrepreneurship is accelerated in a specific nation when the systematic circumstances, such as macroeconomic conditions, regulatory framework, etc., are supported. These factors also influence individual decisions. Social norms, peer pressure, respect and status, role models, security, the caste factor, a person's familial history and education, cultural values, and societal attitudes are social variables that have an impact on entrepreneurial success. When not favourable, these elements represent obstacles to entrepreneurship.

## DISCUSSION

The determinants of entrepreneurial growth encompass a wide array of economic and non-economic factors that influence the establishment and success of entrepreneurial ventures. In this discussion, we delve into the intricate relationship between these factors and their impact on entrepreneurial outcomes. Economic factors play a significant role in shaping the entrepreneurial landscape. Access to finance, for instance, is a critical determinant as it affects an entrepreneur's ability to acquire the necessary capital to start or expand their business. Additionally, technological advancements and innovation contribute to entrepreneurial growth by creating new opportunities and enabling entrepreneurs to develop competitive advantages in the marketplace. However, entrepreneurial growth is not solely driven by economic factors. Non-economic determinants also play a crucial role in shaping the entrepreneurial ecosystem. Cultural values, for example, influence the perception of entrepreneurship within a society, impacting the propensity of individuals to pursue entrepreneurial ventures. Societies that foster a culture of entrepreneurship and value risk-taking tend to have a higher rate of entrepreneurial activity. Furthermore, the regulatory framework within which entrepreneurs operate has a profound impact on their growth prospects. Favorable regulatory conditions, such as streamlined bureaucratic processes, supportive policies, and ease of doing business, can significantly enhance the entrepreneurial environment. Conversely, excessive regulations and burdensome administrative procedures can create barriers and hinder entrepreneurial growth. The interplay between macroeconomic conditions and entrepreneurial growth is also noteworthy. Favorable macroeconomic factors, such as stable economic growth, low inflation rates, and robust market demand, can create conducive environments for entrepreneurial activity to thrive. Conversely, economic downturns and recessions may pose challenges for entrepreneurs, limiting their growth opportunities. Moreover, the personal traits and characteristics of entrepreneurs themselves contribute to their success and entrepreneurial growth.

Factors such as risk tolerance, creativity, passion, and resilience play crucial roles in shaping an entrepreneur's ability to identify and seize opportunities. Understanding and addressing the determinants of entrepreneurial growth is essential for fostering a vibrant entrepreneurial ecosystem. Policymakers can create supportive regulatory frameworks, provide access to financial resources, and promote entrepreneurial education and training programs to stimulate entrepreneurial activity. Additionally, fostering a culture that celebrates and encourages entrepreneurship can further enhance the growth potential of aspiring entrepreneurs. The determinants of entrepreneurial growth encompass a complex interplay of economic and non-economic factors. By exploring and understanding these factors, we gain insights into how to create an environment that nurtures and supports entrepreneurial ventures. The discussion highlights the importance of factors such as access to finance, innovation, cultural values, regulatory frameworks, and macroeconomic conditions in shaping entrepreneurial outcomes. By addressing these determinants, stakeholders can work towards cultivating a thriving entrepreneurial ecosystem that drives economic growth, job creation, and societal progress [9].

## CONCLUSION

The determinants of entrepreneurial growth, encompassing a range of economic and non-economic factors, hold significant implications for fostering a vibrant entrepreneurial ecosystem. This exploration of the economic and non-economic factors involved in entrepreneurial growth has shed light on their complex interplay and their impact on entrepreneurial outcomes. By

recognizing the importance of access to finance, technological advancements, cultural values, regulatory frameworks, macroeconomic conditions, and the personal traits of entrepreneurs, stakeholders can better understand how to create an environment conducive to entrepreneurial success. Policymakers can implement supportive policies, streamline regulations, and provide access to financial resources to foster entrepreneurial growth. Cultivating a culture that celebrates risk-taking, creativity, and innovation can further stimulate entrepreneurial activity. Moreover, addressing economic and non-economic determinants in a comprehensive manner allows for the development of strategies that promote sustainable economic growth, job creation, and societal progress. By understanding and leveraging the determinants of entrepreneurial growth, we can unlock the full potential of entrepreneurship as a catalyst for economic development and prosperity.

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## CHAPTER 8

### AN OVERVIEW OF THE MANAGERIAL ISSUE IN A NEW VENTURE

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#### **ABSTRACT:**

The success of a new venture heavily relies on effective managerial practices, yet navigating the managerial landscape poses significant challenges. This study aims to explore the managerial issue in the context of a new venture, investigating the key obstacles and their impact on organizational performance. Through a comprehensive review of relevant literature and empirical research, this paper aims to identify the underlying factors contributing to managerial issues in new ventures and propose strategies to overcome them. By shedding light on this critical aspect, this research intends to provide valuable insights for entrepreneurs, managers, and policymakers seeking to enhance the managerial effectiveness of new ventures and promote sustainable growth in the dynamic business environment.

#### **KEYWORDS:**

Entrepreneurship, Organizational Performance, Strategies, Success, Sustainable, Uncertainties.

#### **INTRODUCTION**

In the ever-evolving landscape of business, the establishment and success of new ventures play a vital role in driving innovation, economic growth, and job creation. However, the journey of launching and managing a new venture is riddled with challenges and complexities. One of the critical areas that demand careful attention is effective managerial practices. The ability to navigate and address managerial issues is pivotal in ensuring the long-term sustainability and success of a new venture. This paper aims to delve into the specific managerial issues faced by new ventures, explore their impact on organizational performance, and propose potential strategies to overcome them. By addressing these challenges head-on, entrepreneurs and managers can position their ventures for growth and make significant contributions to the entrepreneurial ecosystem [1], [2].

You learned in the last lesson that both economic and non-economic variables may have an impact on entrepreneurial success. Social considerations also impact its development. Social norms, peer pressure, respect and status, role models, security, the caste factor, a person's familial history and education, cultural values, and societal attitudes are social variables that have an impact on entrepreneurial success. When not favourable, these elements represent obstacles to entrepreneurship. You will learn about how a new venture's location, environment, and management challenges affect its ability to expand and survive in this unit. The secret to the development and expansion of the firm is effective management. Examining the business environment and creating employment and profit prospects that support the company's prospective development and financial sustainability are essential to effective management.

Despite its significance, management is often misunderstood and poorly handled, mostly because people pay more attention to the results than to the management process [3].

### **Managerial qualities needed for managing a new business**

Every person has untapped potential. The best way to use this potential is crucial. Managers must utilize their power to persuade individuals to act in ways that will help the company reach its objectives. Managers utilize management functions to get the desired outcome from their staff. To ensure the best possible use of the venture's resources, the following duties must be shown in addition to those of the management.

### **Managerial Skills**

There are four fundamental managerial abilities that are necessary for efficient management and attaining an organization's goals. Following is a quick discussion of the skills:

- i. **Technical Skill:** This refers to a manager's capacity to carry out certain tasks using particular methodologies and approaches. These technical abilities are linked to the application of econometric tools and methodologies as well as technology in general. The ability to use tools like break even analysis in planning or the capacity to organize and carry out a structured interview are examples of technical skills for managers.
- ii. **Interpersonal Skill:** The most important resource for every business is its employees. A manager must possess leadership skills. Workplace dispute resolution, interpersonal relations, and employee motivation are among the skills. Therefore, at every level of management, interpersonal skills are crucial.
- iii. **Conceptual:** A medium or senior manager must have these abilities. This skill involves being able to "grasp the whole picture," which involves seeing the organization as a whole that is interwoven with its surroundings and the pertinent priorities and significant concerns.
- iv. **Conceptual:** These skills are must for middle or top manager. This is an ability to "grasp the whole picture i.e., viewing the organization as one whole intertwined with the surrounding environment with the relevant priorities and important issues.
- v. **Communication Skill:** A manager requires data to make decisions. A manager's ability to communicate and receive information is a critical skill. In addition to being proficient in both oral and writing communication, he should be able to recognize nonverbal cues, moods, and sentiments in order to choose the relevant information from the available data. In order to handle the human resource concerns in the new endeavor and to maintain open communication, he needs have these skills [4].

Any successful firm requires effective communication to be managed and run. Open communication suggests that all staff members, regardless of position, are welcomed to voice their opinions inside the company. Changes and their consequences on the organization are therefore swiftly communicated. Then, organizations have the time and knowledge required to react to developments and seize forthcoming possibilities.



### **Balancing job Stress and Personnel**

Without organization and good management, the compressed time schedules associated with modern business cause stress and make extra demands on employees. An effective management structure can minimize stress and channelize the productive capacity of employees into business growth and profits.

### **Setting Duties Tasks and Responsibilities**

An organization is characterized by the organization structure where duties and responsibilities associated with every job is specified. The core of any organization is its people and their functions. Duties and responsibilities are being in an ad hoc manner. A firm generally starts with few people, with often one or two persons performing most duties. As the firm grows, more people are hired to fill specific roles often on a functional basis. As business develops a human accounting system should also be developed in an organization. The following employee information should be available and checked for accuracy at least once each year.

- a) Name
- b) Address
- c) Marital status and dependents
- d) Date of joining
- e) Company job history
- f) Salary graph
- g) Education including degrees
- h) Professional licenses or certificates
- i) Professional publication and speaking engagements
- j) Leadership evidence
- k) Career goals

Review personnel files periodically to ensure that the information is correct and updated. Implement a system that will make updating human resource files a fairly simple routine.

### **Business Team**

The success of an effective organization lies in developing the team. Team involves delegating authority and increasing productivity. Evaluate the effectiveness of the business team(s) with the following checklist:

- a) Whether team is respected by the members?
- b) Whether the abilities of all team members are respected?
- c) Whether team spirit is evident through activities?
- d) Whether mistakes result in corrective action not retribution?

- e) Whether each member understands the importance of his or her contribution?
- f) Whether the team can explore new areas of activity?
- g) Whether security of employment is evident?

### **Controlling Conflict**

Another key to successful management lies in controlling conflict. Conflict cannot be eliminated from the business and from the interpersonal activities of the enterprise but can be minimized. It needs to be channelized in a positive manner to develop an organization. Policies and procedures are laid to ensure smooth functioning of an organization.

### **Structural Issues Organization**

The effectiveness of a particular organizational depends on a variety of internal and external environment for example:

- a) Competitors Technology
- b) Regulatory Environment Customer characteristics
- c) Supplier Characteristics Economic Environment
- d) Employees of the Organization Growth Strategy
- e) Policy and Procedural Issues Authority

Authority is the key component of organizational management. Within an organization, authority is the use of control. A comprehensive system of controls guarantees the company's functioning and offers a means of enforcing power. The efficient use of authority in business depends on delegation. The abilities of workers in the organization may be used to improve the knowledge and expertise of the management by giving them a limited amount of authority to fulfil specified duties. The following guidelines should be followed in order to assign power and responsibility in your organization successfully.

- a) Accept the power of delegation.
- b) Know the potential of subordinates.
- c) Ensure that specific training is provided.
- d) Choose specific responsibilities to be delegated.
- e) Provide regular monitoring and interest.
- f) Discuss results and provide appropriate feedback.
- g) Praise and criticize in a positive manner

The skills and abilities of each level of authority can be increased by effectively delegating authority throughout any organization [5].

## Management by Objectives

Management by goals has been adopted by many businesses. It is a management strategy in which the objectives of the subordinates are decided upon jointly by them and their superiors. Employee engagement in achieving targets and goals is a must. This approach offers a framework to guarantee organizational coordination and to efficiently assign power and tasks. The following phases comprise the ongoing process of establishing an MBO system:

- i. Subordinates provide suggestions for goals and ways to gauge success.
- ii. A supervisor evaluates suggested objectives in light of changing business demands, their own perspectives, and the organization's capacity to provide incentives for achieving objectives.
- iii. The supervisor and the subordinate discuss the goals, the metrics, the timelines, and any possible corrective measures.
- iv. Results are evaluated by the boss and the employee.
- v. The cycle is repeated as the supervisor and subordinate negotiate outcomes, decide on awards, and so on.

## Operating Reports

Any business's performance card is made up of operating reports. Such reports provide a written reflection of the organization's structure and operation. They have the potential to reduce or exacerbate workplace stress. Regular reporting is necessary to enable prompt issue detection and resolution before substantial harm to the organization is done. They not only provide management the necessary information to achieve its goals, but they also keep employees focused on those goals.

## Other Issues

### i. Risk Management

Every organization is vulnerable to unlikely occurrences that might have terrible results. A new or small firm is no different. Management is essentially in charge of spotting and responding to such improbable situations. Only management is qualified to determine the entire potential effect of these incidents on the organization as a whole. Here are a few potentially devastating situations that might have an impact on business:

- a) . Theft of property
- b) . Breach of Laws
- c) . Information technology crimes
- d) . Fraudulent practices
- e) . Weather related damage such flood, draught etc.

By evaluating the likelihood and effect of these and other similar risks, determine how susceptible the firm is to them. Think of steps you can do to reduce the likelihood of their

happening, or strategies to manage your risk. Every year, go through the checklist to make sure nothing was overlooked that might endanger the company's future [6].

### Consultants

A vital viewpoint is offered by consultants while creating an organization. Numerous situations, including the necessity for capital, the creation of a company strategy, operational weaknesses, market share loss, and a lack of direction, need consulting services. However, consultants can only help in the problem-solving process. Real solutions must originate inside the organization and be put into practice on a daily basis.

### Government and Institutional Policies

This is another aspect which need to be managed. To identify the impact of government agencies on business and the steps that can be taken to challenge their impact, consider the following:

- a) The agencies which influence the conduct of business.
- b) the key contacts in each agency.
- c) The regulations currently affecting the business.
- d) Knowledge of policies to challenge agency findings.
- e) Willingness to work with the agency over the long-term.

In order to launch a new business, extreme caution must be used while choosing a course of action. There are numerous choices that will have long-term effects and will cost a lot of money. The choice of a place is a tactical choice that costs a lot of money. To prevent any obstacles in the organization's development, variables such as proximity to raw materials, transportation considerations, economic factors, factors connected to markets, community factors, etc. must be carefully assessed. Additionally, it is crucial to research the market factors that are present in the surroundings of the organizations. They need to be supportive and guarantee efficient operations of an organization. Any organization must have further effective management in order to succeed. Over time, the company would undoubtedly advance significantly if all the manufacturing aspects were managed optimally. Basic management abilities are necessary for efficient managerial work and attaining an organization's goals. Following is a quick discussion of the skills:

- i. **Technical Skill:** The capacity of a management to apply certain approaches and procedures to a variety of tasks. These technical abilities are linked to the application of econometric tools and methodologies as well as technology in general. The ability to use tools like break even analysis in planning or the capacity to organize and carry out a structured interview are examples of technical skills for managers.
- ii. **Interpersonal Skill:** The most precious resource for every business is its people. A manager must possess leadership skills. Workplace dispute resolution, interpersonal relations, and employee motivation are among the skills. Therefore, at every level of management, interpersonal skills are crucial. To be a medium or top manager, you must have these talents. The capacity to see the big picture entails seeing the organization as a whole, interwoven with its surroundings and the pertinent

priorities and pressing concerns. Talent in communication For decision-making, a manager requires information. A manager's ability to communicate and receive information is a critical skill.

### **DISCUSSION**

The management problem becomes center stage as a crucial element for success in the world of new companies. The difficulties managers encounter in this situation are complex and need for quick thinking and flexibility. The trajectory and market prospects of the endeavor are influenced by effective management, which acts as the venture's basis. Managers are faced with a wide range of duties, from organizational structure and team development to financial management and strategic planning. In a constantly competitive environment, their capacity to overcome these obstacles may decide the venture's survival and ultimate success. As a result of the prevalence of limits in new endeavors, resource allocation becomes a crucial issue. The ability to determine the venture's primary requirements and distribute resources appropriately is a skill that managers must have. When dealing with limited resources, this calls for prioritization based on significance as well as strong communication and bargaining abilities. In order to exploit more resources and alleviate restrictions, managers must also demonstrate resourcefulness and innovation while looking into other options, such as strategic alliances and external collaborations. When it comes to managing a new business, leadership is essential.

A capable leader creates a clear vision and instills a feeling of purpose in the team, inspiring and motivating them. The enterprise can only go ahead if they can create a supportive work environment that encourages creativity and teamwork. The ability to make wise decisions while balancing risk-taking and thorough analysis is another aspect of effective leadership. The influence on the team and stakeholders must be taken into account when leaders make decisions that are in line with the venture's long-term objectives. Despite the potential benefits, managers in new businesses confront a number of dangers and difficulties. There is a lot of uncertainty, so managers must respond quickly to conditions that are constantly changing. In order to navigate this ambiguity, their capacity for making judgements with sufficient knowledge is essential. For new businesses without a solid track record, it may also be difficult to recruit and retain talented employees. To establish and keep a talented workforce, managers need to give growth possibilities, an inviting workplace, and competitive pay. The management dilemma at a startup is a dynamic and multifaceted phenomenon. The primary obstacles that managers must overcome are resource allocation, leadership, and managing uncertainty. Effective management creates the conditions for success. Managers may build the foundation for a successful enterprise in a cutthroat business environment by accepting these obstacles head-on and using their talents [7]–[9].

### **CONCLUSION**

In conclusion, a new venture's management issues are a crucial aspect that might determine its success. Effective management, which includes resource allocation, leadership, and the capacity to deal with uncertainty, is crucial in determining the course of the endeavor. To meet the problems that occur, skilled managers need a broad skill set, flexibility, and inventiveness. Managers may create the conditions for a successful new business by prioritizing resource allocation, developing a happy work environment, making wise choices, and recruiting and keeping talented employees. In the end, the venture's capacity to endure in a cutthroat market and experience long-term development and success will depend on their management skills.

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## CHAPTER 9

### AN OVERVIEW OF EVOLUTION OF ENTREPRENEURSHIP THOUGHTS AND THEORIES

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#### **ABSTRACT:**

The evolution of entrepreneurship thoughts and theories has been a dynamic and transformative journey throughout history. This study delves into the origins and development of entrepreneurship concepts, tracing their evolution from the eighteenth century to the present day. The exploration encompasses the contributions of various disciplines such as economics, sociology, and psychology, shedding light on the multidimensional nature of entrepreneurship. The emergence of theories and viewpoints from notable thinkers highlights the significance of innovation, risk-taking, opportunity identification, leadership, team building, and value creation in entrepreneurial endeavors. Furthermore, the integration of management principles and the concept of intrapreneurship have expanded the understanding of entrepreneurship within organizational settings. While there may not be a universally accepted theory of entrepreneurship, this study presents a compilation of diverse viewpoints and theories that contribute to a comprehensive understanding of this dynamic field.

#### **KEYWORDS:**

Development, Entrepreneurship, Evolution, Innovation, Transformation.

#### **INTRODUCTION**

The evolution of entrepreneurship thoughts and theories has played a crucial role in shaping our understanding of the entrepreneurial landscape throughout history. From the earliest notions of risk-taking and economic undertakings to the modern-day emphasis on innovation and value creation, the concept of entrepreneurship has continuously evolved, influenced by various disciplines and perspectives. This study aims to delve into the captivating journey of how entrepreneurial thoughts and theories have developed over time, shedding light on the key ideas, thinkers, and transformations that have contributed to our current understanding of entrepreneurship. By examining the historical foundations and the progressive ideas that have emerged, we can gain valuable insights into the complex nature of entrepreneurship and its profound impact on economies and societies.

You must have known that entrepreneurship plays a significant part in the growth of the nation from the lessons you learned in the earlier units on different facets of entrepreneurship and starting new businesses. The goal of entrepreneurship is to coordinate resources so that economic development and corporate growth are expedited. Regardless of whether the resources are readily accessible or latent, the entrepreneurial spirit propels the business owner to develop, carry out ideas and products based on his or her knowledge, skill, and competences, and utilize

the resources to further their objectives. In addition to the individual entrepreneur, society as a whole gain the most from entrepreneurial endeavors, whether it be in terms of the economy, quality of life, comforts, or simplicity in eliminating obstacles to wealth. The whole endeavor, beginning with identifying an opportunity, funding innovation, and realizing rewards via business, is the "process of entrepreneurship."

You will learn about the development of entrepreneurial ideas in this unit and how those ideas gave rise to numerous entrepreneurship theories that enable us to comprehend the dynamics of various concepts in the provided situation. Entrepreneurs are creators of money and jobs, problem solvers, pacesetters, excellence seekers, and most all, they enhance the value of local resources. A successful entrepreneur combines all of these qualities certainly not just "any one" of them. A society experiences more entrepreneurship and success when there are more of these individuals present, as shown by several historical examples. The concept of entrepreneurship emphasizes the significance of including a variety of traits and discusses value creation through a variety of resources, including money, technology, talent, and risk-taking. It is evident that entrepreneurship has a significant influence on a nation's economic growth, and this is sometimes reflected in the opinions of different thinkers. Some of the common characteristics of entrepreneurship that may be gleaned from these viewpoints are as follows:

- i.** Out of Box Thinking or Innovation
- ii.** Need for High Achievement
- iii.** Identifying the opportunity
- iv.** Leadership
- v.** Team building
- vi.** Building Organization Systematically
- vii.** Value Creation for Society

The aforementioned characteristics reflect the opinions of many intellectuals who have developed their own beliefs over the ages. A theory is a collection of precepts that serve as the foundation for an activity's practice. A theory may be an explanation for an event, a justification for a course of action, or an analysis of a group of facts in connection to one another. All of these concepts here in entrepreneurship apply to the opinions of experts provided in the form of a theory. The majority of the study done in this area throughout time divides entrepreneurship into three categories: the viewpoints of economists, sociologists, and psychologists [1].

Even if we may consider the terms "entrepreneur" or "start-up" to be fancy now, they have their origins in a long period of history when the concept developed with changing economies. The first known important contribution to entrepreneurial theory dates back to the 18th century, when economist Richard Cantillon coined the word "entrepreneur," which is French for "an undertaker." The intention was to depict the entrepreneur as a risk-taker who looks for possibilities to improve their financial situation. By the end of the eighteenth century, the concept of entrepreneurship had begun to receive more recognition because it focused on other aspects of governance, such as planning, organizing, and overseeing, in addition to taking risks and owning instruments of production. Due to several developments made in the nineteenth century as a result of the industrial revolution and scientific advancements, the earth was



solidified. The contribution of entrepreneurial abilities to profit-making was assigned greater weight than the interest received for supplying money for the firm towards the end of the nineteenth century, as J.B. Say argued in the notion.

With the growth of management thinking in the twentieth century, the progressive thought process that had begun towards the end of the nineteenth century was broadened even further. At this point, management was a well-established topic of study, and philosophers from all across Europe were contributing their opinions. Joseph Schumpeter popularized the idea of "creative destruction," which placed a greater focus on innovation and the exploration of uncharted territory in order to replace outdated technologies. This devastation was seen positively since it helped to create new processes by destroying the outdated ones. Innovation has been branded by Schumpeter as the key attribute of entrepreneurship, which is still widely acknowledged today.

The emergence of management as a discipline throughout the course of the 20th century gave management theorists like Peter F. Drucker the opportunity to discuss the relationship between management and entrepreneurship. He said that entrepreneurship is all about seizing untapped chances and that it is a gradual process that calls for all crucial management skills. The names and perspectives listed above represent just a tiny portion of the long history of entrepreneurship. The adoption of Gifford Pinchot III's idea of "Intra Corporate Entrepreneurship" or "Intrapreneurship" was the most significant change at the end of the 20th century. This idea emphasizes the need for and potential for developing entrepreneurial skills within an organization framework. The theory has continued to advance in the twenty-first century, and the involvement of several research organizations and governments has spread global awareness of the concept. The number of patents filed and the number of start-ups registered in a country today serve as indicators of that nation's progress. We may not have a single, accepted theory for entrepreneurship, but we do have a collection of many points of view that are now regarded as theories.

### **Various School of Thoughts on Entrepreneurship**

It is clear that humankind has grown with entrepreneurship, and as time passed from the early eighteenth century to the twenty-first, concepts that were never considered under traditional thinking began to acquire traction. Every new school of thought that was gathered together for the goal of knowing through certain transformations during this development. A thorough examination enables us to state that the four systematic processes in the growth of entrepreneurial philosophy. The evolution of entrepreneurship as a notion demonstrates unequivocally that it has changed from an adventurous to a speculative activity. The next phase included creating a coordinating effort that eventually led to the establishment of intra-corporate entrepreneurship. Understanding the true meaning of entrepreneurship requires understanding a complicated dynamic that has been formed by the diversity of views on the subject [2].

It should be observed that all of these ideas are supported somewhere by a common discipline, and when they were further examined, they were categorized properly. For the purpose of maintaining the essence of entrepreneurship and making it clear to everyone, it has been separated into three categories that reflect the total of all five stages of the development of entrepreneurship ideas. These are as follows:

- i. Economist's Thought
- ii. Sociologist's Thought
- iii. Psychologist's Thought

**Economist's Thought:**

According to the known history of humanity, politics and economics are responsible for all current activity. These two variables interact and support one another, giving the dominant party or group the upper hand. The main cause of economics in a given civilization is resource scarcity. The skill of making decisions in the face of scarcity in a manner that puts them in a dominating position and enables them to dominate a specific group is the essence of economics. Since we were unfamiliar for a long time with anything outside economics, it also came to define entrepreneurship. It should be mentioned that Richard Cantillon described an entrepreneur as "a person who undertakes to do a job" whereas Adam Smith said that "An entrepreneur is a person who acts as an agent in transforming demand into supply." However, Jean Babtiste Say's statement that "An entrepreneur is a person who shifts resources from an area of low productivity to high productivity" led to the word "entrepreneurship" being widely accepted. It made sense in the context of the time's economic climate, and economists recognized entrepreneurship as a distinct field of study. An entrepreneur, according to John Stuart Mill, is a leader in the private sector. He further went on to claim that, after land, labour, and money, the entrepreneur is the fourth component of production. "The entrepreneur acts as an economic agent who transforms resources into products and services," remarked Carl Menger, another thinker. The businessperson changes and adds value. In a nutshell, it can be claimed that entrepreneurship was given greater weight at that period due to the beneficial circumstances, which concentrated more on harnessing physical resources for the prosperity of the countries and making profit or interest on the investment of money. Additionally, it should be highlighted that the entrepreneur was viewed like a physical resource and that his skills or character attributes were not included in this. As a consequence, poor trade policies and market flaws were blamed for any business's failure.

**Sociologist's Thought:**

When profits did not meet expectations, the emphasis on profit was justified by the importance placed on physical resources. However, external flaws could not always be blamed, so attention was also paid to thinkers discussing the role of entrepreneurship in social systems. The economist's point of view made it function like any branch of science by talking about the synchronization of capital, technology, and human resources. However, it was a weak or immature kind of science since academic models that could be used by the business world were needed to develop it as a body of knowledge that comprehends and practices the art of entrepreneurship. Since the industrial growth of Europe differs from the industrial development of any other region of the globe, the creation of these models is influenced by a distinct cultural context. According to social scientists, societal expectations, cultural values, and expectations from a certain position are the main contributors to entrepreneurship. A society's evolution or development directs its citizens' energies into entrepreneurial pursuits. Weber contends that the spirit of capitalism can only be created when the mentality of the society is supportive of it. John H. Kunkel and Hoselitz claim that people who are socially and/or culturally marginalized prefer to support entrepreneurship as a means of economic advancement. This may be seen in a number

of historical incidents, but most notably in India, where the partition in 1947 encouraged a high level of entrepreneurship among the refugees, many of whom are now India's largest corporations. This topic explains why some businesses can continue growth and development with the same resources while others are unable to do so. It was also emphasized that even with the identical physical resources available and social milieu, an enterprise's performance might still vary. Different psychological perspectives and the significance of the person over the industry in entrepreneurship were cited as the causes of this discrepancy [3].

### **Psychological Thought:**

Innovator was how Joseph Aloysius Schumpeter described an entrepreneur in 1934. The entrepreneur, who popularized the phrase creative destruction to emphasize the significance of invention, is the main force behind the economy's rapid growth. The psychological school of thinking placed more weight on a person's personal qualities than on organizational achievement. This point of view emphasizes innovation, creativity, and leadership together with a clear vision. In the words of A.H. Cole, "entrepreneurship is the purposeful activity of an individual or a group of associated individuals, undertaken to initiate, maintain, or aggrandize profit by production or distribution of economic goods and services." Entrepreneurship, according to Jaffrey A. Timmons, is the capacity to develop and construct something out of almost nothing. According to William Diamond's definition, entrepreneurship requires the capacity to take risks as well as invention. Making decisions in the face of uncertainty and doing things in a novel and improved method were the two primary characteristics of entrepreneurship that McClelland recognized.

Certain economic behaviors are driven by the need for success. The development of the success incentive comes from the way in which they raise their kids, emphasizing high standards of performance, material comfort, and self-reliance education. High achievers take on difficulties, embrace responsibility, and work hard to complete tasks to the highest levels. The most crucial aspects of entrepreneurship, in the opinion of B.F. Hoselitz, are management and leadership, while E.E. Hagen characterizes an entrepreneur as a creative problem solver who enjoys the challenge of a challenge and can accept disarray without feeling uneasy. Creativity is a prerequisite for innovation, and people with this kind of creativity boost the economy. Entrepreneurship, in the opinion of psychologists, is more likely to develop in societies where there is a significant number of people with certain psychological traits. According to this theory, some crucial traits are: vision, a problem-solving mindset, a drive for success, and the ability to tolerate challenges or resistance. The discussion in the preceding section introduces us to a number of hypotheses offered by different philosophers. While each theory had its own way of thinking, none of them could be referred to be the perfect or standardized theory.

#### **i. Economic Theory of Entrepreneurship:**

According to this hypothesis, entrepreneurship and economic development coexist until the environment is conducive. Although the idea of economic theory was murky at first, with time and steady development, it had developed into a completely understandable idea. According to Gustav F. Papanek and J.R. Harris, a person's inner drive contributes most to economic progress. They concentrated on industrial entrepreneurship, which aids in making money. Some academics contend that the expansion of regional economic elements like a state's industrial policy are also correlated with the rise of entrepreneurship. Overall, nevertheless, it can be claimed that entrepreneurship sped up economic growth, which in turn was reliant on technical advancements

and the availability of labour and money in a given area. According to this theory, there are a number of economic factors that can influence a person's desire to engage in entrepreneurial activity, including easy access to institutional financing, a vibrant capital market with few barriers to entry, a low interest rate for borrowing money, a high rate of demand and supply, the availability of raw materials and other resources, good governance in the form of economic policies, and reliable infrastructure for communication [4].

### **ii. Innovation Theory:**

This idea bears the name of Joseph Schumpeter, who popularized the term "innovation" in the entrepreneurial community. He claims that the core of entrepreneurship is creativity, which is the replacement of outdated ideas with fresh ones that function more effectively. In this idea as it was conceived by Schumpeter, innovation may take many different forms, such as the introduction of a new product, a new technique of production, the opening of a new market, the investigation of a new source of raw material supply, or the creation of a new position in the market. In other words, innovation may originate from anybody and can be applied to any aspect of an organization without necessarily requiring a significant financial outlay. It is important to remember that the industrial revolution peaked in the twentieth century, when this thesis was first proposed, since following globe conflict II, the globe seemed to recover as soon as possible despite the harm the conflict had caused to so many people. In this idea, Schumpeter distinguished between innovator and inventor by stating that an innovator uses innovations in his business model to increase customer pleasure and profit for the company, while an inventor finds new ways and materials. This approach is both broad and limited since it covers entrepreneurs, directors, and managers in firms that innovate while excluding those who merely operate enterprises without any invention, which was labelled as a breakthrough years later. In 1979, Paul Wilken provided evidence that innovation always takes the form of a change that can be categorised as an increase in the Productivity of Production Factors, such as Finance, Labour, and Material. Technology, process modifications, and a rise in the productivity of human resources are all examples of production innovation. Market innovation includes changes to market size, market structure, and the emergence of new markets.

### **iii. Need for Achievement Theory**

Two key aspects of entrepreneurship that McClelland provided were doing things in a novel and improved method and making decisions in the face of uncertainty. His idea focused on a person's desire for success and orientation towards success as factors that explain their economic behavior. According to the hypothesis, those who have a strong need for success are more likely to be successful business owners. Since profit is a yardstick for success, it offers these folks a greater feeling of accomplishment even if the dollar number is inconsequential to them. According to the notion, those with low achievement needs are more persuaded by financial incentives. The desire for success is a personal quality that doesn't alter in behavior, but its intensity may be controlled with the right preparation and work. According to this notion, parents should have extremely high expectations for their children if they want them to grow up with an entrepreneurial mindset. These kids have a higher tolerance for uncertainty, a propensity for choosing the entrepreneurial road, and a sense of self-control. Some nations or locations are able to foster an entrepreneurial attitude because of the larger community and friendly environment, which both play important roles.

**iv. Entrepreneurial Growth Theory:**

Max Weber conducted research on religion and its potential influence on entrepreneurial culture with relation to various nations. He was particularly interested in Hindu ideas and "Protestant work ethics." His sociological theory contends that social culture has a major role in the emergence of entrepreneurship. According to him, an entrepreneur plays a position that is expected of them by society, and such roles are greatly impacted by taboos, religious views, and conventions. According to his thesis, religion is a significant contributing element to entrepreneurship since it has a strong impact on the spirit of capitalism and adventure. For instance, Islam forbids some economic ventures and money interest, while Hinduism forbids doing business over international waters. All of this had limited private entrepreneurship and economic freedom. He said that colonial governance was best suited for the growth of business, where a mix of self-discipline and adventurous spirit led to success[5].

**v. Entrepreneurial Change Agent Theory:**

According to Peter F. Drucker, an entrepreneur is a change agent who alters the current resource allocation in such a manner as to positively affect the nation's economic growth. According to Drucker, the secret to entrepreneurship is having the right resources, innovative ideas, and entrepreneurial skills. He emphasized that in order to be successful as an entrepreneur, satisfaction must be increased via value creation, and new values must be generated by integrating resources in various ways[6]. Entrepreneurs are those, in Drucker's words, "who constantly look for change, react to it, and seize opportunity from it." Innovation is a specialized tool used by entrepreneurs, who also innovate. Because a resource cannot exist unless a human being finds a purpose for it and gives it economic worth, it produces resources. According to him, entrepreneurship is not limited to large corporations and economic institutions. Instead, this philosophy has aided in the growth of small and micro level businesses, which are flourishing as start-ups throughout the nation.

**vi. Entrepreneurship Theory of Organization:**

Francis A. Walker described an entrepreneur as an organizer and coordinator for numerous forces of production in his discussion of entrepreneurship. He maintains that all members of society have access to resources that can be used. However, very few people are able to combine them and make use of those resources to conduct any kind of economic activity. Entrepreneurship is the ability to coordinate and orchestrate the use of resources available, and societies where harmony and organizing abilities are fostered see more entrepreneurial activities taking place. In contrast, societies where the freedom to use resources is restricted, citizens' confidence cannot be developed to take on the challenge of experimenting with resources to gain some economic advantage. Since everyone possesses some degree of coordinating and organizing abilities, entrepreneurs who are good at these tasks are paid more.

**vii. Entrepreneurship Theory of Conscious Knowledge for Gain:**

According to this hypothesis, which was put out by Israel Kirzner in 1960, spontaneity in learning and awareness are the two key characteristics of entrepreneurship. Entrepreneurship is the purposeful conversion of information made in order to become motivated with the expectation of future financial gain. According to Kirzner, it's crucial that we take advantage of opportunities when they arise by using our knowledge and developed abilities. This may lead to

greater financial success than invention and is, in fact, entrepreneurship. His model emphasized some of the key components, such as the entrepreneur's ongoing exploration of business prospects inadvertently for profit, the possibility of raising finance for the opportunity by borrowing it from a financier and repaying him in the form of dividends or interest while keeping the opportunity's genuine profit. For instance, a news article that was posted online claimed that secondhand book prices are lower near the end of the term than they are at the beginning. An entrepreneur may see it as a chance to buy at the end of the year and sell at the start of the year for a healthy profit. It was rewarded with a profit, but the activity was equilibrating rather than disruptive, reducing the spread between prices for the same, or very similar, commodities paid by buyers or received by sellers at different times of the year. This is a classic example of Kirznerian entrepreneurship in action [7].

#### viii. Theory of Gap Fillers:

Harvey Leibenstein divided his concept of entrepreneurship into two categories: routine entrepreneurial activity and new entrepreneurial activity. Both, he said, are crucial, and an entrepreneur's primary duty is to act as a "gap filler." According to him, all businesses have the same production elements, which might lead to the same outcome for all industrial units, but in reality, each case's outcome is unique since the entrepreneur offers the crucial incentive for achieving the desired outcomes. Two essential components of any manufacturing process that cannot be measured but are critical to its success are leadership and motivation. Leibenstein contends that insufficient motivated condition and input completing capabilities control the supply of entrepreneurship.

The important aspect which he emphasized that a person or a group identifies himself or herself with their social status and that social status largely comes from either family or from economic superiority. Sometimes due to war, migration, emergence of new faith or economic superiority of enemy community a person or the group may come across a situation where their social respect or status is withdrawn. The reaction in different manner may shape the personality of each one of them differently. Entrepreneur who continues to work in society but remains indifferent to his work or status. Ritualist: One who works as per the norms in the society but with no hope of improvement in the working conditions or his status. Reformist: One who is a rebellion and tries to bring in new ways of working and new society.

### DISCUSSION

The evolution of entrepreneurship thoughts and theories has been a captivating and dynamic process, reflecting the changing nature of economic systems and societal needs. Throughout history, the concept of entrepreneurship has undergone significant transformations, influenced by the ideas and perspectives of prominent thinkers and scholars. This discussion aims to explore the key developments in entrepreneurship thinking and the theories that have shaped our understanding of this field. One crucial aspect of the evolution of entrepreneurship thoughts is the expansion of the concept beyond its initial association with risk-taking and economic undertakings. Early notions of entrepreneurship, dating back to the eighteenth century, focused on individuals who were willing to assume risks to pursue economic opportunities. However, as industrialization and technological advancements gained momentum, entrepreneurship came to encompass a broader range of attributes and activities. The emergence of various theories of entrepreneurship has been instrumental in deepening our understanding of this multifaceted

phenomenon. These theories have been put forth by thinkers from different disciplines, including economics, sociology, and psychology.

Each theory offers a unique perspective on entrepreneurship, highlighting specific dimensions such as innovation, opportunity identification, leadership, team building, and value creation. For instance, Joseph Schumpeter's theory emphasized the role of innovation as a driving force behind entrepreneurial activity. Schumpeter viewed entrepreneurs as agents of "creative destruction," who introduce new ideas and technologies that disrupt existing industries and create new ones. This theory underscored the importance of continuous innovation for entrepreneurial success. Furthermore, the integration of management principles into the study of entrepreneurship has contributed to a more holistic understanding of the field. Management thinkers like Peter F. Drucker recognized that entrepreneurship is not only about risk-taking and opportunity pursuit but also requires effective planning, organizing, and supervising to transform ideas into successful ventures. This expanded perspective highlighted the interplay between entrepreneurial activities and management practices. The concept of "intrapreneurship," introduced by Gifford Pinchot III, further broadened the understanding of entrepreneurship by emphasizing that entrepreneurial competencies can be fostered within organizational settings.

This notion recognizes that entrepreneurial thinking and behavior can drive innovation and growth even within established companies. It is important to note that the evolution of entrepreneurship thoughts and theories is an ongoing process. As new economic and societal challenges arise, scholars and thinkers continue to refine and expand our understanding of entrepreneurship. By studying the evolution of these thoughts and theories, we can gain valuable insights into the complexities of entrepreneurial dynamics and their significant impact on economic development, job creation, and societal progress. The evolution of entrepreneurship thoughts and theories has taken us on a fascinating journey from the early ideas of risk-taking and economic undertakings to the recognition of entrepreneurship as a multidimensional phenomenon encompassing innovation, opportunity identification, leadership, and value creation. Through the contributions of various disciplines and thinkers, our understanding of entrepreneurship has evolved, deepening our knowledge of its intricacies. As we continue to explore this ever-evolving field, the study of entrepreneurship thoughts and theories remains critical for comprehending and fostering entrepreneurial success in the rapidly changing global landscape [8]–[10].

## CONCLUSION

In conclusion, the evolution of entrepreneurship thoughts and theories has paved the way for a comprehensive understanding of the entrepreneurial landscape. Over time, entrepreneurship has evolved from its early focus on risk-taking and economic undertakings to a broader concept that encompasses innovation, opportunity identification, leadership, and value creation. The contributions of various disciplines and thinkers have expanded our knowledge and provided valuable insights into the dynamics of entrepreneurship. The integration of management principles and the recognition of intrapreneurship further highlight the multifaceted nature of entrepreneurial endeavors. As we continue to explore and refine our understanding of entrepreneurship, the study of its evolving thoughts and theories remains crucial for fostering entrepreneurial success, driving innovation, and contributing to economic and societal development. By embracing the richness of entrepreneurial thought, we can navigate the

complexities of the modern business landscape and unlock new possibilities for growth and prosperity.

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## CHAPTER 10

### AN OVERVIEW OF THE EXPLORING INTRAPRENEURSHIP AND GLOBAL ENTREPRENEURSHIP

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#### **ABSTRACT:**

This paper explores the concepts of intrapreneurship and global entrepreneurship and their significance in contemporary business environments. Intrapreneurship refers to the entrepreneurial activities undertaken within established organizations, fostering innovation and growth. Global entrepreneurship, on the other hand, pertains to the entrepreneurial endeavors carried out across national borders, driven by globalization and technological advancements. This study investigates the interplay between intrapreneurship and global entrepreneurship, analyzing their similarities, differences, and synergies. It examines the motivations, challenges, and opportunities associated with these entrepreneurial approaches, while also exploring the implications for organizational strategies, economic development, and international collaboration. By understanding and harnessing the potential of intrapreneurship and global entrepreneurship, individuals, organizations, and nations can thrive in an increasingly interconnected and competitive global marketplace.

#### **KEYWORDS:**

Entrepreneurial Mindset, Global Market, Innovation, International Business, Leadership.

#### **INTRODUCTION**

In today's rapidly evolving business landscape, the concepts of intrapreneurship and global entrepreneurship have gained increasing attention and importance. Intrapreneurship refers to the entrepreneurial activities undertaken within established organizations, while global entrepreneurship encompasses entrepreneurial endeavors carried out across national borders. Both these approaches hold significant potential for driving innovation, growth, and economic development. Intrapreneurship represents a paradigm shift within organizations, promoting a culture of innovation, risk-taking, and creativity. It encourages employees to think and act like entrepreneurs, taking ownership of their projects and driving transformative change within the organization. By nurturing intrapreneurial initiatives, companies can tap into the diverse skills and ideas of their workforce, leading to enhanced competitiveness and sustainable growth [1], [2].

On the other hand, global entrepreneurship has been propelled by the forces of globalization, technological advancements, and expanding international markets. It involves the creation, expansion, and management of businesses that operate across borders. Global entrepreneurs seize opportunities in diverse markets, leveraging their expertise, networks, and adaptability to

overcome the challenges associated with operating in different cultural, economic, and regulatory contexts. This paper aims to delve into the exploration of intrapreneurship and global entrepreneurship, examining their similarities, differences, and the potential synergies between the two. By understanding the motivations, challenges, and opportunities associated with both approaches, organizations and individuals can harness their potential to drive innovation, growth, and competitiveness in an increasingly interconnected and dynamic global marketplace. Furthermore, this study will also analyze the implications of intrapreneurship and global entrepreneurship for organizational strategies, economic development, and international collaboration. By shedding light on the benefits and challenges of these entrepreneurial approaches, policymakers and business leaders can make informed decisions and design strategies that foster entrepreneurial ecosystems conducive to sustainable growth and prosperity [3].

The exploration of intrapreneurship and global entrepreneurship holds great significance in today's dynamic business environment. Understanding and leveraging the potential of these approaches can empower organizations, individuals, and nations to adapt, innovate, and thrive in an increasingly interconnected and competitive global marketplace. The following sections will delve into the intricacies of intrapreneurship and global entrepreneurship, exploring their key characteristics, implications, and the strategies for their successful implementation. A creative businessperson who strives to meet his own personal objectives. Hagen also used the example of the Japanese Samurai society, who had enjoyed great rank but eventually withdrew. In an effort to restore their lost respect, they became more active and powerful, giving birth to many businesspeople. The McClelland theory of need satisfaction and Schumpeter's theory of innovation both supported this view[4].

In the same year, F.W. Young offered a micro sociological interpretation of entrepreneurship when he proposed that solidarity groups use "transformation codes" to elevate their symbolic status within the wider system and transition into becoming entrepreneurs. He categorized business as a collective activity. He believes that entrepreneurship is an activity that is more prevalent in clusters, or, to put it another way, that individuals with similar backgrounds exhibit similar entrepreneurial tendencies, which subsequently prove advantageous for overall economic welfare. Young administered a Thematic Appreciation Test to a group of entrepreneurs, and the findings indicated that they shared a number of characteristics that are indicative of entrepreneurial behavior, including the ability to solve problems, an understanding of the work necessary, self-assurance, etc.

The phrase "Intrapreneurship," which comes from the term "intra-corporate entrepreneurship" and refers to the practice of entrepreneurship inside organizations, was coined by Pinchot in. He said that cultivating an entrepreneurial spirit inside your company to seize chances, develop, and launch new businesses should be fostered and supported via organizational culture. Intra Corporate Entrepreneurship is the term used to describe the actions that improve a company's capacity for innovation, risk-taking, and market opportunity capture. The technique of "innovative products or processes are developed by creating an entrepreneurial culture within an already existing organization" is known as "intrapreneurship." The adoption of an entrepreneurial mindset by organizations has several benefits, including the expansion and growth of the organization and the size and/or variety of the product and service offering.

Additionally, it helps to develop a workforce that can support the company's competitiveness and foster an environment that encourages high success. In the end, intrapreneurship helps a company's workers adopt an entrepreneurial mindset, which initially benefits the business and may subsequently assist these individuals establish their own organization. Additionally produced by these companies' entrepreneurial cultures are Google Earth and Post It by 3M.

It has been noted that entrepreneurship has gathered significant speed over the last 20 years throughout the world, and currently a number of indices and publications are being released to emphasize the superiority of certain nations in terms of entrepreneurship. It would not be incorrect to state that one of the factors used to assess countries in terms of economic growth is their degree of entrepreneurship today. Every year, the Global Entrepreneurship Monitor releases its report so that all interested parties may understand the degree of entrepreneurship in the participating nations. Data from GEM14-15 indicates that many nations took part, and the findings indicate that Uganda has the highest level of entrepreneurship. It is unexpected and difficult to comprehend, but if we look at the research technique, we will discover that low-income nations lack the infrastructure and people resources necessary to provide high-quality employment. Because of this, many individuals participate in small-scale self-employment, but very few of these businesses are creative or high growth companies. Another yearly worldwide research that assesses nations based on fourteen ecosystem pillars for entrepreneurship is the Global Entrepreneurship Index. The fourteen pillars the criteria for ranking are broken down into three groups as follows:

- i. **Entrepreneurial Attitudes Pillars:** Opportunity Perception, Start Up Skills, Risk Acceptance, Networking, Cultural Support.
- ii. **Entrepreneurial Abilities Pillars:** Opportunity Start Up, Technology Absorption, Human Capital, Competition.
- iii. **Entrepreneurial Aspirations Pillars:** Product Innovation, Process Innovation, High Growth, Internationalization, Risk Capital.

Entrepreneurial attitudes are societies' views of entrepreneurship, which we define as how people generally feel about seeing opportunities, knowing entrepreneurs personally, giving them high status, accepting the risks involved in starting a business, and having the necessary skills to do so. The traits of the entrepreneurs and their enterprises are referred to as entrepreneurial talents. We define entrepreneurial talents as the ability to develop businesses in the medium- or high-technology sectors that are led by educated entrepreneurs and driven by opportunities in uncompetitive environments.

Entrepreneurial desire represents the positive features of new ventures and startups. Entrepreneurial ambition is the early-stage entrepreneur's endeavor to launch new goods and/or services, create new manufacturing techniques, enter international markets, significantly expand their company's workforce, and get formal and/or unofficial venture capital financing. Innovation in both products and processes, globalization, and significant growth are seen as the essential traits of entrepreneurship. With the aid of numerous theories, the previous portion of this lesson demonstrated to you how entrepreneurship results from the interplay of a number of variables that may be roughly categorized as economic, sociological, and psychological. The entrepreneurial environment provides the quality that GEI has come to see as being more significant than quantity when it comes to entrepreneurship. Innovative, fruitful, and quickly

expanding entrepreneurial initiatives are supported by entrepreneurial ecosystems. They are made up of many interactive components that must all work together for creative and fast-growing businesses to succeed. According to Global Entrepreneurship Monitor<sup>16</sup>, the following nations are significant [5]:

This index covered 52% of global entrepreneurial potential, indicating that there is still room for growth in the years to come. The crucial distinction is that although United Arab Emirates has a beneficial environment in Asia and the Middle East, Denmark has the greatest rate of entrepreneurship in Europe. In the list of 2 nations analyzed, India falls far behind several others. It has rank, which is something that all policymakers should be concerned with. All ecosystem players must contribute significantly if India is to improve relative to other nations; only then will effective entrepreneurship development be achievable.

This lesson thoroughly examined a variety of entrepreneurial philosophies and literature that spans more than 200 years. The theories included economic, social, and psychological ideas that are fundamental to the development of the entrepreneurial concept. The emphasis of Schumpeter's theory of innovation was on innovation for growing businesses. McClelland connected entrepreneurship to the desire for success in doing things better and making important choices. Both philosophies placed a strong focus on personal characteristics. While Hegan focused on the retreat of social status as a key element encouraging people into business, Weber emphasized religious orientation as the foundation for entrepreneurship. It may be said that each theorist has seen the entrepreneur and entrepreneurship from the perspective of his own ideas, and as a result, they can only, at most, provide a restricted perspective of the entrepreneurial phenomena. Each of the inter-disciplinary entrepreneurship ideas that have been addressed is impacted by a wide range of circumstances. Whether a person becomes an entrepreneur or not is mostly determined by the integration of their desire, ambition, passion, accomplishment, motivation, dedication, integrity, honesty, and sincerity, as well as their talent and hard work.

1. **Capital:** Financial capital is a term that can refer to the money exchanged between entrepreneurs and investors during a business deal.
2. **Capitalism:** an economic and political system in which a country's trade and industry are controlled by private owners for profit, rather than by the state.
3. **Change Agent:** A change agent is a person from inside or outside the organization who helps an organization transform itself by focusing on such matters as organizational effectiveness, improvement, and development.
4. **Creative Destruction:** It refers to the incessant product and process innovation mechanism by which new production units replace outdated ones. It was coined by Joseph Schumpeter, who considered it 'the essential fact about capitalism'
5. **Factors of Production:** Factors of production is an economic term that describes the inputs that are used in the production of goods or services in order to make an economic profit. The factors of production include land, labour, capital and entrepreneurship.
6. **Interest:** money paid regularly at a particular rate for the use of money lent, or for delaying the repayment of a debt.

7. **Networking:** Developing business contacts to form business relationships, increase your knowledge, expand your business base, or serve the community.
8. **Out of Box Thinking:** It is a metaphor that means to think differently, unconventionally, or from a new perspective. This phrase often refers to novel or creative thinking.
9. **Payoff:** A final outcome or result.
10. **Skill:** The ability to do something well expertise.

A start-up is defined as a new company that has not yet established a sustained positive cash flow or has just recently begun operations. Value Creation: Any corporate entity's main goal is to create value. While adding value for shareholders via rising stock prices assures the foreseeable availability of investment money to support operations, adding value for consumers aids in the sale of goods and services. In India and other emerging nations, educational institutions, governments, society, and other corporate agencies support and promote entrepreneurship. Several international organizations, like GEM and GEI, now measure entrepreneurship, and efforts are being undertaken worldwide to improve the economies of nations with low entrepreneurship indices [6].

McClelland claims that although the urge for accomplishment is a personality attribute that does not alter behavior, its intensity may be controlled with the right preparation and effort. According to this notion, parents should have extremely high expectations for their children if they want them to grow up with an entrepreneurial mindset. These youngsters have a higher tolerance for uncertainty, a propensity for entrepreneurship, and a sense of self-control. In a similar vein, E.E. Hagen proposed that entrepreneurship is a function of personality development, which can be primarily attributable to a community's or nation's child-rearing practices. Therefore, it can be claimed that both theories approached entrepreneurship from the standpoint of success or prestige, which a family may help a kid build starting in infancy.

You studied the theories of entrepreneurship in the previous unit, which emphasize several facets of entrepreneurs. It's critical to realize that even if a company concept is novel, successful entrepreneurs are the ones who will handle its social and legal ramifications. According to numerous views, uncertainty is something that entrepreneurs must constantly deal with, and when it comes to a growing nation like India, the level of uncertainty rises. In the present global economic climate, India has a highly progressive economy that promotes investment across all industries, but we must also acknowledge that local entrepreneurs are not being supported at the necessary rate. Even if a number of government regulations are periodically implemented to encourage entrepreneurship in the nation, bureaucracy and lack of public understanding of these policies serve as the major obstacles to reaching the goal. The legal processes and regulations that are designed to facilitate the launch of new businesses or Start Ups cause problems for the entrepreneur.

You will learn about the many legal difficulties that an entrepreneur faces throughout the whole entrepreneurial process, from ideation to execution. Understanding the numerous laws and regulations that normally have an impact on company in all industries is the best method to approach these legal concerns. In order to give you a good sense of how to handle the issue when you run across a legal roadblock, the majority of rules will be briefly discussed in this section.

## Meaning of Legal Issues for the Entrepreneur

Regulations in civil society serve as the foundation for enduring progress and operate as the governing principles that guarantee everything proceeds in accordance with the authorized plan, policy, and course of action. The goal is to draw attention to any non-conformity and make changes immediately to prevent a recurrence. These laws govern three crucial elements and have an impact on individuals, goals, and deeds. Therefore, these regulations guarantee whether any progress is made towards achieving a specific goal with the announcement of a policy or not, whether the environment is protected from pollution after rapid industrial growth, whether the interests of the weakest or poorest members of society are protected, whether worker welfare in an organization is taken care of or not, and whether small business owners are not intimidated or harmed by unfair trade practices. Every firm is impacted by these issues in one way or another. If not handled appropriately by the entrepreneur, these rules put in place by the government to safeguard diverse interests create legal problems. These may be benefits if handled properly, but if not, they can cause major issues for the company and possibly force the collapse of the business unit.

## Objectives of Knowing Various Legal Issues

By encouraging entrepreneurship across the nation, with a focus on Tier II and Tier III cities, one may speed up economic development by giving young people more opportunity to share their creative ideas. However, those company owners, whether young or not, may not be conversant with the legal guidelines that control their firm or operation while having a thorough understanding of their industry. In the present business climate, start-ups and new businesses are significant economic sectors that must abide by the laws and regulations of the nation in which they do business.

**These laws may be largely divided into two groups:** Protective and Promotional laws. Protective measures serve to protect an entrepreneur's interests, whilst promotional measures aid in the expansion of the entrepreneur's firm. Since gaining independence, the government has continuously worked to encourage industrial growth, with a particular emphasis on Micro, Small, and Medium Enterprises. To this purpose, various Constitutional Acts have been created, each of which has a protective and promotional function. These Acts, Regulations, and Rules, which deal with numerous legal difficulties for an entrepreneur, are enacted by various authorities at the Central, State, and Local levels. These laws may be grouped into the following categories:

1. Registration related issues
2. Labour related issues
3. Tax related issues
4. Location related issues
5. Product related issues
6. Environmental issues, and
7. Safety, Security, hygiene, health and welfare related issues, etc.

## **Registration of the Business by Entrepreneur**

The first and most crucial legal concern for every entrepreneur who wants to launch their own business is their lack of knowledge about the registration procedure, the many possibilities for establishing an organization, and the various financing sources accessible. As you can see, the first step in starting any company is getting it recognized by the ecosystem around it. The registration of the firm is what led to its recognition. Because of this, it's crucial for every entrepreneur to be aware of the legal requirements for company registration in India as well as the variety of forms that may be used.

According to several Acts of the government, there are many types of organizations that may be registered in India: The easiest and simplest method to establish a company is as a sole proprietorship. In this kind of company, the individual who comes up with the concept and initiates the business activity is the only participant. An entrepreneur may create a bank account, hire staff, and purchase assets with ease. They can even register their intellectual property. The issue with this form is that it is a one-man show and is seen as a dangerous preposition from the perspective of the company's creditors despite the fact that it requires very little paperwork and legal compliance [7].

**Partnership Firm:** By choosing the Partnership company structure, the Sole Proprietorship's restrictions may be lifted. This arrangement brings together two or more people to create a partnership that is regulated by a partnership deed drafted in accordance with the Indian Partnership Act<sup>32</sup>. The primary benefit of a partnership is the ability to put more expertise and cash into the company with a straightforward legal framework; nevertheless, a negative is that even in a partnership, the partners are still subject to infinite liabilities. **Limited Liability Partnerships:** In the year 2008, limited liability partnerships were adopted in India, addressing the issue of partnerships' limitless liability. This company structure combines all the benefits of a partnership and a corporation and is highly recommended for start-ups.

The most popular structure for growing any business is a limited liability company, which must be incorporated under the Companies Act<sup>13</sup>, an improvement on the Companies Act<sup>56</sup>, as either a private company, a public limited company, or a one-person company. The biggest financial and physical resource availability is a benefit of this structure, but a downside is that careful adherence to legal regulations is required; otherwise, the firm might suffer or even be forced to close.

The first legal problem that all business owners must deal with is deciding on the kind of ownership and registering it in accordance with local laws. The next step is to get familiar with any other legal requirements that an entrepreneur must meet before launching his own business. These additional compliances, which are often necessary in all sorts of enterprises, will be covered in the following section of this course.

## **Starting business in India-New simple step-by-step legal process**

The process of launching a company is hard for budding entrepreneurs, particularly in India, since business registration is a crucial requirement. The fact that India ranks 0th in the ease of doing business index shows that we still have a way to go to eliminate the difficulties associated with creating a company organization. In an attempt to streamline the processes of allocation of DINs, PANs and TANs, ESIC registration, and other incorporation procedures, the Ministry of

Corporate Affairs developed the INC-29 new form for company registration in the year 2015. The following are the steps typically taken for the INC-29 registration process [8]:

**Procedure 1:** The procedure suggests expected costs and tentative time to complete the process which is as follows:

- i. Obtain Digital Signature Certificate from MCA-authorized agency,
- ii. Time to Complete: 2 to 5 days,
- iii. Cost to Complete: INR 1,500

The instructions also advise obtaining a Class II Digital Signature Certificate by one of the directors in order to utilize MCA's electronic filing system. This service is offered by e-Mudhra, TCS, and n-Code for a price ranging from Rs. 0-Rs. 2650. Depending on how well the dispatch services work, this procedure typically takes 2 to 5 days to complete. PAN cards, passports for foreign nationals, and self-attested copies of voter identification cards, ration cards, driver licenses, most recent utility bills, and AADHAR cards are needed to complete this process.

**Procedure 2:** The step two specifies the process of preparing the INC and the expected cost and tentative time to complete the process which is as follows:

- i. Preparing INC-29,
- ii. Time to Complete: 1 to 3 days,
- iii. Cost to Complete: Company secretary fees

The next step after obtaining a digital signature certificate is to fill out the necessary information in INC-29, which must be backed by numerous pieces of information and the signature of a company secretary. Resubmission is only permitted once in the event of a mistake. Application for Director Information Number: According to the rules established by the Ministry of Corporate Affairs, only three directors at most may submit an INC-29 application for a Director Information Number; any additional directors may submit a separate application. The MCA identifies directors of corporations using their DIN number. Obtaining a DIN requires submitting the following paperwork:

- i. Scanned copy of Passport-sized photograph,
- ii. Scanned copy of PAN card and Driver's License/Voter ID/Latest Utilities Bill. Both should be self-attested, but foreign nationals would need them notarized by the Indian embassy, too.

For Name Approval, the new INC-29 form only requires the submission of one name for the firm, while the previous form allowed for the registration of six different names. It is now even more crucial for an entrepreneur to comprehend the MCA's rules for choosing a suitable name in order to have it recognized on the first try without too many complications. The following guidelines have been provided by numerous internet advising portals:

- i. Ensure that your company's proposed name has not already been taken on [mca.gov.in](http://mca.gov.in).



- ii. Ensure that there is no registered trademark in the same name by checking at [ipindia.nic.com](http://ipindia.nic.com). If there is one, you can get NoC from the trademark owner authorising you to use it.
- iii. Ensure that the first half of the name is unique. Avoid geographical references, adjectives, abbreviations and generic terms. Also, the words bank, exchange and stock exchange require approval from RBI and SEBI.
- iv. Ensure that the second half describes the sector you're in.

Once a name has been chosen, briefly explain its meaning in one or two words. The information would have to be typed into the form. For the articles of incorporation and memorandum: The INC-29 must be accompanied by the articles of association and memorandum of association. These may or may not have been written by a company secretary, but they must have that person's signature. The key goals of your company will also be included in the MoA. Additionally, you would need to submit Form INC-9 with affidavits from each subscriber. Depending on the Company Secretary you choose, the cost of these papers may change. The Registered Office Address submitted by the Company Directors serves as Address Proof for the Company for the purposes of Registered Office Verification. With the correct information about the rental agreement and the owner's NoC, it may be either a business or residential space. The sale document must be added in cases when the property is owned.

### **DISCUSSION**

The exploration of intrapreneurship and global entrepreneurship brings to light several key points of discussion. Firstly, both intrapreneurship and global entrepreneurship share a common foundation of entrepreneurial mindset and innovation. Intrapreneurship encourages employees to think creatively, take risks, and develop innovative solutions within the confines of an established organization. Global entrepreneurship, on the other hand, requires entrepreneurs to identify and capitalize on international business opportunities, adapting to diverse markets and cultural contexts. Despite their different scopes, both approaches rely on entrepreneurial thinking and a proactive approach to drive success.

Another important aspect to consider is the role of leadership and organizational culture in fostering intrapreneurship and global entrepreneurship. Organizations that embrace a supportive and empowering culture tend to cultivate intrapreneurial behavior, providing employees with autonomy, resources, and incentives to pursue innovative projects. Similarly, a culture of openness, adaptability, and risk-taking is vital for global entrepreneurship, as entrepreneurs must navigate unfamiliar territories, collaborate with diverse stakeholders, and adapt their strategies to the demands of different markets. Furthermore, the implications of intrapreneurship and global entrepreneurship extend beyond individual organizations and have broader economic and societal impacts. Intrapreneurship can stimulate internal innovation and create a competitive edge for organizations, leading to increased productivity, market share, and job creation. It can also foster a culture of continuous learning and growth, attracting and retaining top talent. Similarly, global entrepreneurship plays a crucial role in economic development by driving cross-border trade, investment, and knowledge transfer.

It contributes to job creation, enhances productivity, and promotes cultural exchange and collaboration between nations. However, both intrapreneurship and global entrepreneurship

come with their own set of challenges. Intrapreneurship may face resistance from traditional organizational structures, hierarchical decision-making processes, and risk-averse cultures. To overcome these challenges, organizations need to establish supportive structures, allocate resources, and provide mechanisms for idea generation, testing, and implementation. In the case of global entrepreneurship, entrepreneurs need to navigate complex regulatory frameworks, cultural differences, and market uncertainties. Building networks, conducting thorough market research, and forming strategic partnerships can mitigate these challenges and increase the likelihood of success. The exploration of intrapreneurship and global entrepreneurship offers valuable insights into the entrepreneurial mindset, innovation, and growth in both organizational and global contexts. By fostering intrapreneurial behavior and embracing global entrepreneurial opportunities, organizations and individuals can unlock their potential for sustained success, competitiveness, and economic development. The discussion of these concepts provides a foundation for further research, policy development, and strategic decision-making in the dynamic and interconnected global business landscape [9], [10].

### CONCLUSION

The exploration of intrapreneurship and global entrepreneurship highlights their significance as powerful drivers of innovation, growth, and economic development. Intrapreneurship encourages a culture of creativity, risk-taking, and empowerment within organizations, enabling employees to contribute entrepreneurial ideas and initiatives. Global entrepreneurship, on the other hand, involves seizing opportunities across international borders, capitalizing on diverse markets, and adapting to different cultural contexts. The discussion has shed light on the similarities, differences, and synergies between intrapreneurship and global entrepreneurship, emphasizing the importance of entrepreneurial mindset, leadership, and organizational culture in fostering these approaches. Furthermore, the implications of intrapreneurship and global entrepreneurship extend beyond individual organizations, positively impacting productivity, job creation, and economic growth. However, both intrapreneurship and global entrepreneurship come with their own set of challenges, requiring organizations and entrepreneurs to navigate obstacles such as resistance to change, regulatory complexities, and market uncertainties. Overcoming these challenges necessitates supportive structures, resources, and strategic approaches. By harnessing the potential of intrapreneurship and global entrepreneurship, stakeholders can adapt to the dynamic global marketplace, drive innovation, and contribute to sustainable economic development. As the business landscape continues to evolve, further research, policy development, and strategic decision-making in these areas will be instrumental in capitalizing on the opportunities presented by intrapreneurship and global entrepreneurship.

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## CHAPTER 11

### AN OVERVIEW OF THE LEGAL COMPLIANCE IN INDIA FOR ENTREPRENEURS

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#### **ABSTRACT:**

This abstract explores the legal compliance landscape in India and its implications for entrepreneurs. India, being one of the fastest-growing economies, offers a promising environment for business ventures. However, navigating the complex web of legal regulations is crucial for entrepreneurs to establish and sustain their enterprises. This abstract delves into the key legal compliance requirements that entrepreneurs in India must adhere to, including business registration, tax obligations, employment laws, intellectual property rights, and consumer protection. It highlights the challenges entrepreneurs face in meeting these compliance obligations and the potential consequences of non-compliance. By understanding and effectively managing legal compliance, entrepreneurs can mitigate risks, ensure business continuity, and foster sustainable growth in the dynamic Indian market.

#### **KEYWORDS:**

Business Registration, Compliance Obligations, Consumer Protection, Employment Laws, Entrepreneurs, Legal Compliance, Tax Obligations.

#### **INTRODUCTION**

In today's global business landscape, legal compliance plays a pivotal role in ensuring the success and sustainability of entrepreneurial ventures. This is particularly true in a country like India, where the entrepreneurial spirit is flourishing, and the business environment is evolving rapidly. For entrepreneurs in India, understanding and adhering to the legal compliance requirements is not only a matter of fulfilling obligations but also a strategic imperative. This introduction provides an overview of the legal compliance landscape in India, highlighting the key considerations and challenges that entrepreneurs must navigate to establish and operate their businesses effectively. From business registration and tax obligations to employment laws and intellectual property rights, the complexities of legal compliance can significantly impact an entrepreneur's ability to thrive in the Indian market. By gaining a comprehensive understanding of the legal framework and implementing robust compliance practices, entrepreneurs can confidently navigate the legal landscape, mitigate risks, and create a solid foundation for long-term success [1], [2].

Small- and medium-sized business owners alike must operate in a certain business environment, which has an impact on their operations from day one. Periodically, they must change their operations and procedures to ensure that their company is compliant with the law. Most businesses must abide by laws such as the State Industries Act, the Factories Act<sup>48</sup>, the Payment

of Wages Act<sup>36</sup>, the Minimum Wages Act<sup>48</sup>, the Workmen's Compensation Act<sup>23</sup>, the Employee Provident Fund Act<sup>52</sup>, the Employee State Insurance Act<sup>48</sup>, the Copyright Act<sup>57</sup>, the Income Tax Act, the Central Sales Tax Act, and the State Sales Tax Act, the Drug Control Act, the payment of Bonus Act<sup>78</sup>, the Industrial Disputes Act, and the Consumer Protection Act<sup>86</sup>. Out of these, some of the legal requirements of significant Acts that every entrepreneur should be aware of before beginning his or her own enterprise today are listed below. Ignorance of these requirements may cause the entrepreneur to face a number of obstacles:

**Labor Law:** Every business is a group of people working together towards a shared goal, which might be achieving a profit or providing a service to the community. Conflicts over money or working conditions may arise as a consequence of the social interaction of those involved in any of these situations. An entrepreneur has to have a good understanding of the nation's preventative labor laws in order to address all of these difficulties right away. The Industrial Disputes Act,<sup>47</sup> Trade Unions Act,<sup>26</sup> Factories Act,<sup>48</sup> Workmen Compensation Act,<sup>1923</sup> and The Contract Labor Act,<sup>70</sup> Minimum Wages Act,<sup>1948</sup> are now India's most significant labor legislation. An entrepreneur who is aware of these laws would undoubtedly adhere to the practices that keep the workforce content, since a content workforce aids in obtaining the desired outcomes, productivity, and financial success for the company.

**Taxation Law:** To operate lawfully and peacefully, every business owner, whether they are making a profit or not, has to comprehend the country's fundamental tax system. Every year, businesses that have been established under any type of ownership are required to submit tax reports to the government in order to defend their activities and their role in national development. India's tax system may be essentially classified into two groups: direct taxes and indirect taxes. While indirect taxes like service tax, central sales tax, customs and excise duties, which will soon be replaced by a single good and service tax, affect the cost of any good or service and ultimately its price, direct taxes like income tax and wealth tax have an impact on any entrepreneur's earnings and personal possessions. Therefore, in order to successfully manage their firm, entrepreneurs must fully comprehend the significance of the Income Tax Act<sup>61</sup>, Direct Tax Code<sup>13</sup>, Finance Act<sup>94</sup>, Wealth Tax Act, etc.

**Product Liability and Safety Law:** An entrepreneur brings his or her ideas to life by turning them into products or services that benefit society, but while doing so, he or she must bear in mind the regulations pertaining to the safety of the product's final users. India has highly strict rules governing product safety, and throughout time, the government has established a number of additional restrictions to further guarantee that Indian citizens are fully protected from any manufacturing fraud. Law of Torts, the Consumer Protection Act of 1986, the Sales of Goods Act of 1939, and other laws cover civil product liability. If any irregularity on the part of the business owner is discovered in accordance with The Drug & Cosmetics Act<sup>40</sup>, The Food Safety and Standards Act<sup>06</sup>, The Bureau of Indian Standards Act<sup>86</sup>, etc., criminal culpability may also be imposed in specific situations. To prevent any issues later, it is crucial that the entrepreneur plans his company concept while keeping in mind the legal requirements of these statutes [3].

**Intellectual Property Law:** An entrepreneur's thoughts or ideas are works of his imagination that are brought to life by the efforts of his team. It must be mentioned that employees who join this team may not decide to work for the company forever or may disclose these ground-breaking ideas with others. In these situations, it's critical to preserve the idea's uniqueness. Intellectual property is used to describe designers, programmers, artists, or researchers whose

ultimate product or service is the result of a team's or an entrepreneur's labor of love. In the modern world, there are many different kinds of intellectual properties, including copyrights, trademarks, patents, trade secrets, and plant varieties. Every entrepreneur must realize that his or her firm must not break any intellectual property laws or allow anyone else to use their intellectual property for unfair gain. The Copyright Act of 1957, the Patent Act of 1970, the Trademarks Act of 1999, and other legislation protect every entrepreneur against such a circumstance.

**Corporate and Contract Law:** Every entrepreneur works in a setting where common business procedures are controlled by contract law. The Indian Contract Act<sup>72</sup> also governs the transactions we see in our everyday lives, whether they are financial or non-financial. This Act declares that "every agreement which is enforceable by law is a contract." Every firm is built on this foundation, and it serves as the entrepreneur's motivation to advance in the company. Sale of Goods Act, Partnership Act, and other acts were originally included in the Contract Act, but subsequently all of them were separated out and created as distinct acts to make them easier for everyone to comprehend. Sale of products Act 30 and Partnership Act 32 now govern transactions relating to the formation of partnerships for the purposes of buying and selling products. The contracts for agency, bailment, indemnity, and guarantee are also included in the contract act and they have an impact on the majority of an entrepreneur's commercial activities.

Corporate laws may also have an impact on how an entrepreneur manages their firm, and the most significant of these is the Companies Act<sup>00</sup>, which has superseded the Companies Act<sup>56</sup> if the organization is registered as a company. The advantages of a company structure for a firm include a distinct entity, separate property, a common seal, and greater access to money. One Person Companies, Dormant Companies, Mandatory Inclusion of Corporate Social Responsibility for All Companies, Rotation of Auditors, etc. are some of the major additions included in the new Companies Act<sup>13</sup>.

**Pollution Control Law:** Rapid industrialization has raised environmental concerns, and governments worldwide are developing laws to preserve the environment. These rules seek to hold business owners accountable for maintaining pollution levels within acceptable bounds, taking reasonable measures while handling hazardous materials, and giving accurate information about any mishaps. All business owners should be aware that although major companies must get the Pollution Control Board's clearance before beginning their operations, only very seldom do small scale units need the same. SSIs often get an acknowledgment that acts as consent. State pollution control boards provide site clearances and No Objection Certificates for air and water pollution, however certain regions may be off-limits to the establishment of any form of economic operations [4].

When it comes to entrepreneurship, India as a nation confronts greater legal difficulties than its peers because of its slow adoption of a progressive regulatory framework. Even if market liberalization has given business owners in all market areas new options, progress is nevertheless moving too slowly. The progress of the business and the environment is guaranteed by the laws and regulations. Additionally, these rules ensure that all parties involved are operating according to the same standards. Entrepreneurs nowadays often own their businesses as sole proprietors, participants in a partnership, or companies. Due to reduced formalities, inventions like limited liability partnerships and one-person companies have also encouraged many people to start their own business. It should also be noted that an entrepreneur is required to abide by a number of

regulations, including the Contract Act, labor rules, product safety laws, intellectual property laws, etc. Every entrepreneur must deal with legal concerns at various phases of their firm, including direct and indirect taxes, as well as numerous sorts of obligations imposed by the government. Industrial Acts, VAT, income tax, service tax, excise, and professional taxes. Additionally, the entrepreneur must get a number of different forms of permissions before opening a new unit, as periodically announced by the government. The direction for excellence, progress, and development is set by legal compliances, which also provide a tool for tracking any deviations. Regulations are created to safeguard the interests of all of these stakeholders since an organization is connected to the land, environment, people, and customers. The likelihood of the business succeeding is higher the more people are aware of these rules. Rapid and seamless expansion of the business is guaranteed by the entrepreneur's good awareness of legal difficulties.

**Civil Society:** Society is seen as a group of people who are connected by shared values and ambitions. Tier II cities the category below Tier I are essentially smaller cities with a statistical population of 1 million. They serve as regional centers like state capitals or industrialized hubs. Pune, Cochin, Mangalore, and Dehra Dun are a few instances. Cities in Tier III fall under this category if they have less than a million residents. Simply put, these are cities that are just now starting to awaken and take shape on their own. The MSMED Act, 2006 defines the Micro, Small and Medium Enterprises based on the investment in equipment for businesses involved in providing or rendering services, as well as the investment in plant and machinery for businesses engaged in manufacturing or production, processing, or preservation of commodities. A proprietorship is a company whose owner is considered to be its only legal entity. The individual's personal income tax return is where income and losses are taxed.

**Partnership:** A commercial structure in which two or more people combine their funds, talents, and resources and divide profits and losses in line with the provisions of a partnership agreement. A partnership in which some or all members have restricted obligations is known as a limited liability partnership. As a result, it shows traits of companies and partnerships. In an LLP, one partner is not accountable or liable for the wrongdoing or carelessness of another partner. Company- A corporation is a "artificial person" with a common seal, perpetual succession, and a separate legal personality that was founded by or according to law.

**Capital:** Capital includes actual machinery and production equipment utilised in settings like factories and other industrial facilities, as well as financial assets or the financial worth of assets, such as cash and money stored in bank accounts [5].

**Memorandum of Association:** A limited liability company's Memorandum of Association, which outlines its relationship with shareholders, is a legal document created during the creation and registration process. Articles of Association: An Articles of Association is a document that outlines and records the obligations and responsibilities of the company's members as well as the goal of the organization. It's a crucial document that must be submitted to the Registrar of Companies. A stamp duty is a levy that is imposed on official papers, often when assets or property are transferred.

**DIPP:** India's Ministry of Commerce and Industry is home to the Department of Industrial Policy and Promotion. An Indian certification mark for industrial goods is the ISI mark. The mark attests to a product's compliance with the Indian Standard, which is referenced at the top of the mark and was created by India's national standards organization, the Bureau of Indian

Standards. The first and most crucial legal concern for every entrepreneur who wants to launch their own business is their lack of knowledge about the registration procedure, the many possibilities for establishing an organization, and the various financing sources accessible. Every entrepreneur should be aware of the legal requirements for company registration in India and the variety of forms that are available. According to several government Acts, the following types of organizations may be registered in India:

- a) Proprietorship
- b) Partnership
- c) Limited Liability Partnership
- d) Limited Liability Company

Every business is a group of people working together towards a shared goal, which might be achieving a profit or providing a service to the community. Conflicts over money or working conditions may arise as a consequence of the social interaction of those involved in any of these situations. An entrepreneur has to have a good understanding of the nation's preventative labor laws in order to address all of these difficulties right away. The Industrial Disputes Act, 47, Trade Unions Act, 26, Factories Act, 48, Workmen Compensation Act, 1923 and The Contract Labour Act, 70, Minimum Wages Act, 1948 are now India's most significant labor legislation. An entrepreneur who is aware of these laws would undoubtedly adhere to the practices that keep the workforce content, since a content workforce aids in obtaining the desired outcomes, productivity, and financial success for the company.

To operate lawfully and peacefully, every business owner, whether they are making a profit or not, has to comprehend the country's fundamental tax system. Every year, businesses that have been established under any type of ownership are required to submit tax reports to the government in order to defend their activities and their role in national development. India's tax system may be essentially classified into two groups: direct taxes and indirect taxes. While indirect taxes like service tax, central sales tax, customs and excise duties, which will soon be replaced by a single good and service tax, affect the cost of any good or service and ultimately its price, direct taxes like income tax and wealth tax have an impact on any entrepreneur's earnings and personal possessions. Therefore, in order to successfully manage their firm, entrepreneurs must fully comprehend the significance of the Income Tax Act 61, Direct Tax Code 13, Finance Act 94, Wealth Tax Act, etc.

You will learn about small and medium-sized businesses in this unit, as well as the legal concerns that these businesses may face. Small and medium-sized businesses have become one of the most significant segments of the Indian economy during the last fifty years. In a huge economy like India, SMEs play a significant role in creating jobs for a broader population at a comparatively lower cost of capital than major corporations. They also mobilize productive factors, which the expanding economy need. Therefore, it is crucial for every manager to understand small and medium-sized businesses. The current state of small and medium-sized businesses in India will be covered in this unit, along with a number of important topics like the difficulties faced by SMEs, the government assistance that is available, and other critical managerial issues that these businesses must address in the current business climate [6], [7].



The Micro, Small, and Medium Enterprises Development Act was approved by the Indian government on June 6, 2006, in the parliament. It was announced to the Indian public on October 2, 2006. This legislation was special because the definition of a SME was officially expanded to include the service industry, which is one of the industries with the fastest growth. This was a crucial decision since, in the next decades, the service sector would account for the majority of India's GDP. Therefore, it was wise to expand the law's application to the services sector.

The Act also promoted the growth of SMEs and aimed to increase their level of competitiveness. It gave the word "enterprise" a legal meaning, defining it as both a manufacturing and service firm. For the first time, all three types of businesses micro, small, and medium were defined under a single law. It functions something like a legislative system that is mostly consultative on a national level. The numerous stakeholders connected to all three levels of the companies are properly represented in the legislation. A variety of advisory duties provided in the legislation are crucial for the growth of the MSM industry.

The MSMD Act06 has defined micro small and medium enterprises on the basis of two important factors that is:

- i. The investment in plant and machinery for those enterprises which are involved in manufacturing, production, processing or reservation of goods.
- ii. On the basis of investment in equipment for the enterprises that are engaged in providing services to the customers.

In accordance with the law, "The investment in plant and equipment is the original cost excluding land and building and other things defined by the Ministry of Small-Scale Industries via its notice number S.O.22 dated. The following rules apply to investments in plant, machinery, or equipment as those terms are used in the MSMED Act:

### **Manufacturing Enterprises-Investment in Plant & Machinery**

Disequilibrium between income and small company. Small and medium-sized businesses have done a good enough job of raising rural residents' income levels and giving them access to jobs. One of the largest contributions made by small businesses to achieving the government of India's socialist objectives is this. Approximately 77% of all businesses registered in India under the MSME category, or 7,000 businesses, are situated in urban centers. The other 7,000 MSMEs are spread throughout rural areas of the nation.

Although the MSME sector has made major contributions to the nation's growth, like any other nation, India's MSME sector still confronts a number of critical obstacles. The rivalry from multinational corporations is now one of the main obstacles. Due to their origins, they have unique skills that provide serious obstacles for small and medium-sized businesses in India. The Indian government is unable to keep the doors locked in order to lessen competition as a consequence of international treaties and trade agreements. Therefore, MSME are only protected from harsh competitive circumstances by indirect acts through favourable regulations for Indian firms. As technological advances today play a crucial part in product creation, process improvement, and organizational alignment with market demands. Due to the absence of direct assistance from many stakeholders in this area, Indian MSMEs lag behind their bigger counterparts in terms of technological innovation. In addition to technological problems, Indian MSMEs have a skilled labor shortage since most of them are located in rural and semi-urban

parts of the nation. Due to unskilled labor, this reduces the total growth rate of the MSME sector in the current context. MSMEs, find it challenging to continue without direct assistance from the government and other stakeholders due to declining productivity and diminished capacities to compete in high-tech environments. Another problem with MSMEs is the inadequate and untimely availability of credit. Currently in India, the cost of credit is comparatively higher and there is also a requirement of collateral. This leads to limited access to capital by small and medium enterprises. As Government of India traditionally has kept MSMEs out of institutional credit system, this further increased the intensity of the problem of credit availability to MSMEs. Other challenges faced by the MSMEs include high cost of materials, lower access to global markets, lack of infrastructural facilities, limited access to modern technology, lack of limited manpower, stringent labour laws and unavailability of business-friendly environment [8].

### DISCUSSION

Legal compliance is a crucial aspect of conducting business in India, and entrepreneurs must be well-versed in the country's complex regulatory framework. One of the primary considerations for entrepreneurs is business registration. India offers various business structures, such as proprietorship, partnership, limited liability partnership (LLP), and private and public limited companies. Each structure has specific compliance requirements, including obtaining the necessary licenses and registrations from regulatory bodies like the Ministry of Corporate Affairs (MCA) or local authorities. Tax obligations are another critical aspect of legal compliance in India. Entrepreneurs must comply with the Goods and Services Tax (GST), which replaced multiple indirect taxes. They need to register for GST, file regular returns, and maintain accurate records of transactions. Additionally, income tax regulations apply, and entrepreneurs must file income tax returns based on their business structure and income. Complying with employment laws is essential for entrepreneurs with employees. India has stringent labor laws governing areas such as minimum wages, working hours, employee benefits, and workplace safety. Entrepreneurs must adhere to these laws and maintain proper records related to employee attendance, wages, and compliance with statutory obligations. Protecting intellectual property rights (IPR) is crucial for entrepreneurs in India. Trademarks, copyrights, patents, and designs are valuable assets that need legal protection. Entrepreneurs must register their intellectual property and enforce their rights to prevent unauthorized use or infringement. Consumer protection laws in India aim to safeguard consumers' interests and ensure fair trade practices. Entrepreneurs must comply with regulations related to product quality, labeling, warranties, and consumer dispute resolution mechanisms. Non-compliance can lead to legal repercussions, including fines, penalties, or even business closure. While legal compliance can be challenging for entrepreneurs, non-compliance can have serious consequences. It can result in reputational damage, loss of business opportunities, and legal liabilities. Therefore, entrepreneurs must invest in understanding the legal requirements, seek expert guidance when needed, and implement robust compliance systems and processes. Legal compliance is a critical aspect of entrepreneurship in India. Entrepreneurs must navigate various compliance obligations, including business registration, tax compliance, employment laws, intellectual property protection, and consumer protection. By embracing legal compliance as a strategic priority, entrepreneurs can build a strong foundation for their businesses, mitigate risks, and foster long-term success in the vibrant Indian market.

## CONCLUSION

In the dynamic and rapidly evolving business environment of India, legal compliance is an indispensable aspect for entrepreneurs. It encompasses a wide range of obligations, from business registration and tax compliance to employment laws, intellectual property rights, and consumer protection. By embracing legal compliance as an integral part of their business strategies, entrepreneurs can effectively navigate the regulatory landscape and establish a solid foundation for success. Failure to comply with legal requirements can lead to severe consequences, including financial penalties, reputational damage, and even business closure. Therefore, entrepreneurs must prioritize understanding and meeting their compliance obligations, seeking professional guidance when necessary, and implementing robust compliance systems. By doing so, entrepreneurs can confidently operate within the legal framework, mitigate risks, and capitalize on the opportunities offered by the thriving Indian market. Ultimately, adherence to legal compliance paves the way for sustainable growth, innovation, and long-term success for entrepreneurs in India.

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## CHAPTER 12

### AN ELABORATION MEASURES TAKEN FOR MSME GROWTH

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#### **ABSTRACT:**

The various measures implemented to foster the growth of Micro, Small, and Medium Enterprises (MSMEs). MSMEs play a crucial role in driving economic development and job creation globally. The abstract provides an overview of the strategies and initiatives undertaken by governments, financial institutions, and other stakeholders to support MSME growth. It discusses key policy interventions, access to finance initiatives, capacity-building programs, and technological advancements that have been instrumental in empowering MSMEs and enhancing their competitiveness in the marketplace. Additionally, the abstract highlights the challenges and potential future directions in sustaining and expanding the impact of these measures for the long-term prosperity of MSMEs.

#### **KEYWORDS:**

Economic Development, Financial Institutions, Growth Strategies, Job Creation, Technological Advancements.

#### **INTRODUCTION**

Small and Medium Enterprises (SMEs) are widely recognized as the backbone of economies around the world. In particular, Micro, Small, and Medium Enterprises (MSMEs) play a vital role in driving economic growth, fostering innovation, and generating employment opportunities. Recognizing their significance, governments, financial institutions, and various stakeholders have implemented a range of measures to support and enhance the growth of MSMEs. These measures encompass a wide array of strategies, policies, initiatives, and interventions aimed at addressing the challenges faced by MSMEs and creating an enabling environment for their development. This paper aims to examine and analyze the measures taken for MSME growth, shedding light on the diverse approaches employed to empower and promote the sustainable expansion of these enterprises. By understanding and evaluating these measures, it becomes possible to identify key factors that contribute to the success of MSMEs and explore potential areas for further improvement and support [1], [2].

Government of India has established an "India Opportunities Venture Fund" with SIDB worth Rs. billion to offer equity to the MSME sector as one of the initiatives it has taken to boost the performance of MSMEs. Government agencies and Central Public Sector Enterprises are obligated to source at least % of their yearly purchases from MSMEs under the Public Procurement Policy for Micro and Small Enterprises. A portion of this purchase, 4%, will be made from MSEs run by SC/ST business owners. Other than the aforementioned actions, ensuring the availability of an enabling environment and sufficient infrastructure is the most

crucial prerequisite for the unrestrained expansion of SMEs. Ensuring double digit growth for SMEs will assist the government achieve its long-term objectives of income equality and supporting the development of rural regions throughout the nation. The MSMED Act, 2006, encourages the growth of small businesses by placing a strong emphasis on fostering competitive qualities. It offers a framework for law that acknowledges the idea of entrepreneurship in both service and industrial organizations. It aids in identifying the micro, small, and medium business sectors. The act has several different advising responsibilities but is mostly consultative in nature.

The Indian government has created a provision in this act to preserve the finances for the promotion, development, and improvement of small and medium companies' competitiveness. The administration continuously announces new programs and projects with this goal in mind. The legislation also establishes a framework for progressive credit policies and practices that provide small businesses in the industrial and service sectors priority access to finance. The ministry of micro, small, and medium businesses, on the other hand, continually examines the policy framework with the aim of boosting small and medium firms in order to provide different incentives pertinent to the industry.

The ministry of small and medium-sized businesses has recently recognized a number of sectors that might need improvement, including finance, technology, quality control, certification, export marketing, etc. On the other hand, state governments coordinate with the MSME ministry to enable the implementation of the Ministry's programs in each state and the distribution of rewards to charitable groups. Thus, it can be said that the MSMED Act06 has helped the growth of small and medium enterprises by providing a framework for developing policies that aim at taking the necessary actions at the present moment and by establishing clear definitions of various organizational levels.

### **The Insolvency and Bankruptcy Regime**

The insolvency and bankruptcy regime now needs improvement since the rate of insolvency is greater among small and medium-sized businesses and comparable start-up organisations, hence there is a need for a regime that handles insolvency and bankruptcy circumstances. India does not yet have a comprehensive bankruptcy policy or legislation. This implies that people are deemed insolvent when they are unable to pay their debts in the event that their enterprises collapse or when they are shutting down [3].

Since proprietorships and partnerships make up the bulk of enterprises in India. For everyone who experiences company loss, insolvency becomes a significant issue. According to the third Small-Scale Industries Census, proprietorships and partnerships made up 3% of all small units. Thus, only 2% or so of tiny entities were given corporation status. Although there is a growing awareness of the need for bankruptcy laws in the nation, as evidenced by the numerous significant committees and groups formed by the Reserve Bank of India and the Government over the past ten years, the discussion has been restricted to "corporates" and excluded "firms" and "individuals." The J.J. Irani Committee, another expert panel appointed to recommend changes to the firms Act, likewise ignores the issue of directors of small firms' personal culpability.

The necessity for restructuring or liquidation from the perspective of financial institutions alone has unfairly affected the discourse in India thus far. Liabilities resulting from statutory fees and

the debtor's rehabilitation have received little attention. The following key laws were passed during that time period, which support this assertion: The Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 and the Recovery of Debts due to Banks and Financial Institutions Act, 1993 both codify the secured creditor's legal right to seize securities in the event of default and sell them to recoup the debt.

### **Current Legal Framework for Insolvency of SMES**

The current Indian insolvency framework is mainly separated into two parts: personal insolvency laws and corporate insolvency laws. Personal bankruptcy is governed by two significant legislations, the Provincial bankruptcy Act and the Presidency Towns Insolvency Act, which deal with individuals, owners, and partners. The Corporate Insolvency Act, on the other hand, addresses businesses that are subject to the Limited Liability Act, 2009 and The Companies Act, 2013. The aforementioned legislation provide a broad variety of rules that offer reparative and distributive goals under bankruptcy circumstances.

### **Important Developments In 2015-2016**

The Indian government recommended a number of changes for small and medium-sized businesses as well as startup companies during the years of 2015 and 2016. This was done to encourage economic development in the nation via small-scale firms. These efforts include the re-implementation of the public procurement policy, the Make in India, Startup India, and Skill India programs, which seek to improve the manufacturing sector's growth rate to 12% per year and the manufacturing sector's share to 15% by the end of the year. The government has also developed a number of programs to boost the financial and technological sectors. A recent proposal to adopt the GST law, which is a component of the government of India's significant changes, has also been made. By adding transparency to the indirect taxing process, this will alter the indirect taxation landscape.

### **SME trends in 2017s**

There were various trends among small and medium-sized businesses in 2017. The majority of startups in this market are mostly focused on the business-to-business E-Commerce market. The number of startups in India has increased significantly since 2017. The bulk of these firms use technology as a means of delivering goods and services. The e-commerce industry has seen a lot of new small companies start their enterprises. All parties engaged in these small size enterprises have benefited from the usage of technology. By 2020 SMEs in India are predicted to reach the \$2 billion level in the emerging technologies sector. B2B e-commerce is likely to continue to increase in the coming years.

The fusion of the e-commerce and m-commerce industries in India has made the phrase "digital or online marketing of goods and services" obsolete. The aggressive rise of SMEs in this market has accelerated India's increase in Internet penetration. The e-commerce business in India is expanding rapidly because to the rising popularity of smartphones, tablets, and PCs. Online transactions are becoming more popular among consumers and businesses for a variety of e-commerce products and services [4].

Although there is some success for financial and technology companies in India, the bulk of them are having trouble finding simple financing. All small and medium-sized businesses must contact commercial banks for financing, but the majority of them are unable to do so owing to a

lack of past expertise and adequate collaterals. This prevents them from surviving and succeeding. As a result, in addition to local sources of financing, we have seen that some small businesses that have grown into major businesses have chosen to turn to foreign investors to obtain the necessary cash rather than engaging domestic investors and commercial banks.

We cannot overlook NBFCs in the financial sector, since they have recently replaced conventional banking institutions as the primary providers of financing for small businesses. Additionally, NBFCs contributed a significant amount of their funding to startups and small businesses. Compared to conventional banks, NBFCs have traditionally had policies that are more kind to small businesses. As a result, small businesses profited greatly from NBFC funding. The speedy release of cash is an additional benefit of NBFCs, which has encouraged more small businesses to choose NBFCs over conventional banks.

There is no denying that small businesses in India have a bright future when current trends and advancements are taken into consideration. It is certain that this industry will see tremendous growth over the next several decades since the Indian government has just lately begun concentrating on its growth and development. However, in order for the industry to continue to expand steadily in the future, a variety of stakeholders, including the government, must provide that support. This assistance may be required in a number of different contexts, some of which include the following:

**i. Building Competitiveness**

Building small businesses' competitiveness is a crucial topic on which all parties, including the government, must concentrate. Instead of only providing certain protective mechanisms, which may eventually cause some weaknesses among small firms, the government has to adopt actions that strengthen the competitive capabilities of small businesses. Reduced manufacturing costs, higher-quality goods and services, and more efficient product marketing by small businesses might be some of the main focuses of these competitiveness-building activities. The government needs to identify various clusters in India so that better infrastructure and technology up-gradation services can be provided to these organisations, increasing their core competitiveness and enabling them to compete more successfully on the global stage.

**ii. Promoting Innovativeness and Awareness about Quality**

Promoting innovation and quality should be the other area of emphasis. Quality and innovation are priorities for Indian small and medium-sized businesses, although these goals are mostly influenced by consumer needs, which are either met via laws and regulations or because of competition. Innovation and quality enhancements have not yet been seen by Indian businesses as a continual process for their companies' success. Therefore, there has to be a mentality change, which can only be accomplished by outside organizations like government ministries that educate small businesses about the advantages of making innovation and quality their main goals.

**iii. Enabling SMEs to participate in global markets**

Additionally, the Indian government should encourage Indian small businesses to enter international markets. Such businesses may begin by exporting to other nations and eventually consider developing an international value chain. This will be a significant milestone in Indian businesses' globalization. However, small businesses still lack the fundamental competitiveness

they need to compete internationally. However, certain small businesses that specialize in handmade goods or those that need specialized talents have a better chance of finding success in foreign markets. These businesses will not only bring in foreign money but also knowledge of global best practices, technological know-how, and other significant learning that may help the whole industry.

### **Indian MSMEs: Areas of Cooperation**

India has profited from other nations' expertise, particularly in the area of technology. However, both emerging and developed nations might benefit equally from the extensive Indian expertise gathered over the last 60 years in the MSME sector. In the MSME sector, there are several prospects for collaboration in the following areas:

- i. Fee-based consultancy services and training in the following areas:
- ii. Capacity Building of Entrepreneurs and Technical Manpower of SMEs;
- iii. Policy & Institutional Framework for SME Promotion, Development and Enhancing Competitiveness;
- iv. Entrepreneurship Development; and Business Development Services.

You learned what a micro, small-scale, and medium firm is in this course. You learned that compared to big businesses, micro, small, and medium-sized organizations are particularly successful at offering greater returns on capital invested. Additionally, you discovered that the MSME sector in India has a number of significant difficulties. The rivalry from multinational corporations is now one of the main obstacles. Due to their origins, they have unique skills that provide serious obstacles for small and medium-sized businesses in India. Additionally, by efficiently utilizing financial resources, micro, small, and medium-sized businesses have shown to be a reliable means of advancing the Indian economy. As a result, these businesses provide a variety of chances for you to pursue an entrepreneurial career.

**Micro Enterprise:** It is the one in which investment in plant and machinery does not exceed twenty-five lakhs in manufacturing sector and ten lakhs in equipment's in case of services sector.

**Small Enterprise:** It is the one in which investments in equipment total more than ten lakhs but do not exceed two crores in the case of the services industry and more than twenty-five lakhs but do not exceed five crores in the manufacturing sector.

You studied small and medium-sized businesses and the legal concerns that surround them in the previous unit. You will discover the steps involved in company planning and all of its elements in this subject. Planning an enterprise is crucial and helpful for launching a successful firm. You will give your entrepreneurial endeavor direction and focus by doing this. It serves as a road map that enables you to understand where you are, where you want to go, and how to get there. It discusses the resources that a venture has access to or not, as well as its ability to provide goods or services, and it lists the requirements for enterprise data planning and enterprise resource planning [5].

#### **i. Enterprise Planning Process**

The tactics for preparing for the internal and external factors that have an impact on a venture are covered by an enterprise planning process. Most of these factors come under the category of



pestle. The word "pestle" relates to aspects of politics, economy, society, technology, law, and the environment. Operations management includes maintaining PESTLE variables on a consistent basis. Project management skills will be required in the meantime for attending to any situation and testing any one or many components. The Enterprise Planning Process is more comprehensive. The enterprise planning process looks at a venture's ability to offer goods or services as well as the resources that are or are not available to it. Additionally, it takes into account any factors that can significantly or adversely affect the association's ability to carry out these operations.

The Enterprise Planning Process is flexible and has a propensity to change. For the creation of strategy, they are anticipated to be flexible and sporadic. These will also have a strategic perspective. Enterprise planning processes are often a part of a corporation's or an association's learning foundation, whether they are officially differentiated and organized or just carried out as needed. There are at least three key goals that an enterprise planning process will assist the organization achieve:

- i. Survive
- ii. Contend
- iii. Flourish

### **Survival**

An undertaking will get ready for strategic moves for fast response to the PESTLE dangers that influence its survival. For example, directly after Japan's Fukushima atomic power plant has encountered blasts because of the tremor and the wave that took after, a few undertakings have openly declared their course of activities to address the crisis.

### **Contend**

An undertaking will prepare for longer-term critical actions to deal with its opponents or increase its intensity in the meantime. For instance, businesses will prepare budgets, implement essential data frameworks, and use them since "data frameworks or data innovation speculations can be a wellspring of upper hand."

### **Flourish**

A venture will essentially prepare itself for taking advantage of the PESTLE prospects that are available to it. The majority of venture planning frameworks are justified by the benefit and advantage thinking processes.

### **Vulnerabilities**

Being prepared for psychological militant attacks is a fourth crucial justification for large company planning frameworks. As stated in the US Presidential Directive for Critical Framework Security, oppressor groups motivated by fear are likely to attack commercial foundations in an effort to do financial damage. Potential targets for radicals include businesses that provide goods or services that are essential to a nation's economic system.

### **Strategic Planning**

The variety and flexibility of the enterprise planning process are two significant features. For instance, mechanical risks are commonplace since even simple programming is prone to poor quality and problematic trends. Innovation is active right now. As PESTLE situations vary, assortment and adaptability benefit a purposefully flexible or lean venture. ERP programming suggests ways to grasp its certain advantages in order to further illustrate this. However, adherence to these rigid, advised patterns is typically perceived rather than actual consistency. The ERP software is generally accepted, however internal project practises show anomalies with the recommended product processes. One may state that a normal ERP use will now demonstrate variety and flexibility from a number of angles.

With changing genuine conditions, no less than three segments can structure enterprise technique. These are:

- i. Systematic structures for the assessment of PESTLE information at a given time.
- ii. Geographic scope of operations to oversee chances or amplify profits by macroeconomic strengths or government controls.
- iii. Ventures reconciliation to productively bolster undertaking operations.

### **Strategy through Analysis**

Structures of investigation typically drive an association's system. These empower the firm to adapt to the activities of its rivals, requests of its shoppers or customers, nature of its working surroundings, impacts of government controls in the spots where it works together, or openings that are accessible among different elements. Here, group arranging is significant. One gathering will regularly have practical experience in one viewpoint like operations or government controls. Dealing with the interrelation of PESTLE components requires collaboration in the undertaking arranging process. A specimen system for general investigation is the SWOT analysis. Another is the Balanced Scorecard for the analysis of performance measurement.

### **Strategy through Geography**

Organizations strategy can likewise allude to the blend of organized activities that address the political, monetary, social, innovative, legitimate and ecological components that influence a business or firm. These organized activities can be nearby, transnational, worldwide or mix of neighborhood, transnational or worldwide. Subsequently, undertakings can have any of the accompanying geographic procedures in their arrangements:

- i. Local strategy
- ii. Provincial strategy
- iii. Universal strategy
- iv. Global strategy
- v. Gokal strategy

### **Strategy through Integration of Projects**

In addition, key organizers might see operations or Venture Portfolio Management as crucial elements in an undertaking's key organizing guide since management activities occur concurrently in a venture. For instance, in organizations with numerous item improvement ventures, the need for key needs across many activities has prompted officials to acquire standards from investment portfolio management to better handle the allocation of resources in comparison to the assessed risks for each venture.

PESTLE variables hence encourage system design that will enable the endeavor to adapt to changing circumstances. A company's operations manual or activity portfolio pushes for funding and execution over the units or geographic scope of the venture will be influenced by the systems that have been developed from the logical structure procedures of assessing an undertaking's condition.

PESTLE analysis shows a framework of fully natural variables used in the natural checking section of key management. It provides a diagram of the many large scale natural factors to be taken into consideration and is a component of an external inquiry while leading a key examination or conducting statistical surveying. It is an important tool for determining business sector growth or decline, corporate position, potential, and operational path. The basic PEST inquiry has four components: Fundamentally, the government intervenes in the economy via political factors. For example, charge approach, job law, natural law, exchange confinements, obligations, and political strength are areas of political components. Political factors may also include services and endeavours that the government intends to deliver or be granted, as well as those that the legislature has no wish to be given. Additionally, governments have a significant impact on a nation's welfare, education, and legal system. Economic factors include trade rates, the rate of inflation, borrowing costs, and monetary growth. These factors have a significant impact on how businesses operate and make decisions. For example, loan fees affect an association's cost of financing and, as a result, how much a firm expands and develops. Trade rates may have an impact on an economy's supply of imported goods, their price, and the costs associated with sending out goods.

Social factors include the population growth rate, age distribution, professional states of mind, and the emphasis on security. They also include social viewpoints and wellness awareness. High patterns in social components have an impact on people's interest in a company's products and operations. For instance, a smaller and less willing workforce may be implied by a mature population. Additionally, organisations may alter their management strategies to conform to societal trends brought on by this technical variable. These modifications may take into account mechanical viewpoints like R&D activity, computerization, innovation motivators, and the velocity of mechanical change. These may determine sectional barriers, the lowest level of successful creation, and have an influence on outsourcing decisions. Additionally, mechanical motions would have an impact on prices, quality, and quick progress.

Segregation law, customer law, antitrust law, labour law, and health and security law are examples of legal factors. These elements may have an impact on an organization's operations, costs, and product interest. Environmental factors include biological and ecological perspectives, such as climate, atmosphere, and environmental change, which may have a special impact on businesses like tourism, agriculture, and protection. In addition, growing awareness of the possible impacts of environmental change is changing how businesses operate and the products they sell, creating new markets while shrinking or destroying others.

Age, ethnicity, dialect information, disabilities, adaptability, house ownership, company status, religious belief or practise, culture and tradition, expectations for basic luxuries, and salary level are all statistically significant variables. Administrative factors include parliamentary proceedings and accompanying directives, international and national standards, local government ordinances, and mechanisms to monitor and ensure compliance with them. In light of its industry and the products it produces, a particular organization will have different values for the model's variables. For instance, although a global protection contract worker would be more likely to be impacted by political factors, buyer and B2B organizations tend to be more influenced by social factors. Additionally, elements that are more likely to change in the future or are more relevant to a particular organization will have a greater weight. For instance, a company that has gained significantly should put greater emphasis on the financial aspects [6].

## DISCUSSION

The discussion on measures taken for MSME growth reveals a multitude of strategies and initiatives implemented by various stakeholders. One prominent aspect is the adoption of targeted policy interventions. Governments have developed comprehensive policies that provide MSMEs with a conducive business environment, streamlined regulatory frameworks, and favorable tax incentives. These policies aim to reduce bureaucratic barriers, promote ease of doing business, and encourage entrepreneurship. Access to finance has emerged as a crucial factor in supporting MSME growth. Financial institutions have responded by introducing specialized loan programs and credit facilities tailored to the unique needs of MSMEs. Moreover, innovative financing mechanisms such as venture capital, angel investors, and crowdfunding platforms have gained popularity, providing alternative funding options for MSMEs.

Capacity-building programs play a vital role in equipping MSMEs with the necessary skills and knowledge to thrive in competitive markets. These programs encompass training workshops, mentorship programs, and business development initiatives that enhance managerial capabilities, technical expertise, and entrepreneurial skills. By empowering MSMEs with knowledge and expertise, these programs contribute to their growth and long-term sustainability. Technological advancements have revolutionized the business landscape, and MSMEs have not been left behind. Measures to facilitate MSME adoption of technology include digitalization initiatives, access to affordable and efficient digital infrastructure, and support for digital marketing and e-commerce platforms. These measures enable MSMEs to tap into larger markets, improve operational efficiency, and enhance their competitiveness. Despite the progress made, challenges persist in fostering MSME growth. Limited access to finance, inadequate infrastructure, regulatory complexities, and market barriers continue to hinder the expansion of MSMEs.

Additionally, addressing issues such as gender inequality, environmental sustainability, and social inclusivity within the MSME sector remains crucial for balanced and equitable growth. To sustain and amplify the impact of the measures taken for MSME growth, continuous monitoring, evaluation, and adaptation are necessary. Governments and stakeholders must remain responsive to the evolving needs and challenges faced by MSMEs. Collaborative efforts involving policymakers, financial institutions, industry associations, and civil society can facilitate the design and implementation of targeted interventions that address the specific requirements of MSMEs in diverse sectors and regions. Overall, the discussion highlights the multifaceted nature of measures taken for MSME growth. It underscores the importance of a comprehensive

approach that combines policy support, access to finance, capacity-building programs, and technological advancements. By prioritizing and strengthening these measures, economies can unlock the immense potential of MSMEs, fostering sustainable economic growth, job creation, and innovation [7], [8].

### CONCLUSION

In conclusion, the measures taken for MSME growth play a crucial role in fostering economic development, job creation, and innovation. Governments, financial institutions, and various stakeholders have implemented a range of strategies, policies, and initiatives to support MSMEs. These include policy interventions, access to finance programs, capacity-building initiatives, and technological advancements. While significant progress has been made, challenges such as limited access to finance and regulatory complexities remain. It is essential to address these challenges and continuously monitor and adapt the measures to ensure their effectiveness. By nurturing the growth of MSMEs, economies can harness their potential as drivers of sustainable development and inclusive prosperity. Therefore, sustained efforts and collaboration among stakeholders are necessary to create an enabling environment that empowers MSMEs and maximizes their contributions to the economy.

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## CHAPTER 13

### AN OVERVIEW OF THE IMPORTANCE AND PERSPECTIVES OF PLANNING IN VARIOUS CONTEXTS

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#### **ABSTRACT:**

The significance of planning in different contexts and examines its various perspectives. Planning is a fundamental process that plays a crucial role in numerous occupations and industries. It involves predicting and anticipating the future in order to establish effective strategies and achieve desired goals. The article discusses the relationship between planning and anticipating, highlighting the importance of merging forecasting with proactive decision-making. Furthermore, it delves into the psychological perspectives of planning, emphasizing the role of the brain and neurological processes in cognitive planning. The impact of disruptions to neural pathways on planning capacity is also explored. Additionally, the article touches upon the use of neuropsychological tests to assess planning abilities. In the realm of public policy and urban planning, the article highlights the role of planners and the conscious decision-making process involved in shaping future outcomes. The abstract concludes by emphasizing the benefits of effective planning, including improved outcomes, goal achievement, and enhanced control over future endeavors.

#### **KEYWORDS:**

Anticipating, Decision Making, Forecasting, Goal Achievement, Neurological Processes, Neuropsychological Test.

#### **INTRODUCTION**

Planning is a fundamental process that holds significant importance in various contexts and occupations. It serves as a guiding mechanism for organizations and individuals alike, helping them achieve efficiency and effectiveness in their endeavors. While planning is often associated with setting goals and creating action steps, its true essence lies in its ability to anticipate and shape the future. This article explores the multifaceted nature of planning, delving into its importance and examining different perspectives that shed light on its role in different domains. From the cognitive and psychological aspects to its applications in public policy and urban planning, understanding the importance and perspectives of planning provides valuable insights into how individuals and organizations can navigate the complexities of their respective fields. By recognizing the power of planning, we gain a deeper appreciation for its role in achieving desired outcomes and creating a pathway to success.

Additionally, combination companies that produce a wide range of goods could believe that using the PESTLE show to analyses one branch of their company at a time would be more

beneficial since it will allow them to focus on the specific factors relevant to that one office. A company can also choose to divide its variables into geologically relevant categories like local, national, and international. Planning is the first step in thinking about and organizing the actions necessary to achieve a desired goal. It entails the development and maintenance of a system, such as mental angles that call for appropriate aptitudes. Even two or three tests exist to gauge a person's level of excellent planning ability. Planning is thus a key component of intelligent behavior. Additionally, planning has a specific process and is important for many different professions. There are several types of strategies that help organizations achieve productivity and sufficiency in every industry. The link that planning has to suspecting or expecting is a crucial, yet sometimes ignored, aspect of planning. While preparing for the future involves predicting what it should look like in light of new conditions, expecting may be described as anticipating what the future will look like. Organizing combines gauging with organizing situations and how to respond to them. One of the most important strategies for managing projects and managing time is planning. Setting up a collection of action initiatives to achieve a certain goal is known as planning. If a guy accomplishes planning well, they may much reduce the necessary time and effort of achieving the goal. A great design is more like a roadmap. A person may observe how far they have advanced towards their wander aim and how distant they are from it while they are following an arrangement. The following are the many planning viewpoints:

### **Psychological Perspectives**

One of the recognized components of the brain is planning, which includes the neurological processes needed to organize, evaluate, and choose a series of thoughts and actions to achieve a desired goal. A number of studies employing a combination of neuropsychological, neuro pharmacological, and practical neuroimaging methods have shown that there is a positive correlation between damage to the frontal fold and impaired arranging limit. It has been suggested that a particular area located within the frontal fold of the mid-dorsolateral frontal cortex plays a fundamental role in working memory and other associated psychological processes.

The neuronal connections between this region of the frontal cortex and the basal ganglia, particularly the striatum, may become disrupted for a variety of reasons, including terrible brain trauma or the effects of neurodegenerative diseases. People who were estimated to have Very Low Birth Weight and Extremely Low Birthweight are more likely to have various intellectual deficiencies, including poor planning ability [1].

### **Neuropsychological Tests**

There are several different neuropsychological tests that may be used to compare how the subject and the controls arrange limits.

- i. The Tower of Hanoi, which French mathematician Édouard Lucas envisioned in 1983. The large shape consists of three poles and, often, seven to nine smaller-sized circles.
- ii. Organizing is a crucial component of the critical thinking skills required to achieve the goal, which is to shift the complete stack to another post while adhering to the following standards:
- iii. Only one plate may be moved at a time and without hesitation.

- iv. For each motion, the top plate from one of the bars must be taken and slid across alternative circles that may already be present on that pole to another bar.
- v. In 1992, the Tower of London test was carried out specifically to find arranging flaws that may result in damage to the frontal projection. Test subjects who had damage to one side of their frontal flaps had poor arrangement. The findings involving the left primary frontal projections associated in resolving the TOL were supported by pertinent neuroimaging findings, which also showed a decrease in the regional cerebral blood flow to one side of the pre-frontal fold. An enormously negative correlation between the number of movements and the left prefrontal range was sought; in other words, those who spent more time planning their actions showed more obvious incitation in this region.

### **Public Policy and Planning**

Discreet manner Ecological, practical, regional, urban, and spatial arranging are all included in arrangement. The management of a town and country planning framework is often referred to as arranging in many countries, and the professionals who run the framework are known as organizers. It is both a conscious and a sub-conscious movement. In order to adjust to complications, "an expectant basic leadership prepare" is used. It involves selecting a future game strategy from a list of options. It is a process that involves making and evaluating each combination of linked decisions. It is the selection of objectives, missions, and "enthusiastic interpretation of learning." Comparatively speaking, planned executions provide better results than unplanned ones. The duties of an administrator include planning, monitoring, and controlling. Setting goals and organizing are essential aspects of an organization. At every level of the association, it is done. The layout includes the point of view, activity, and use. Organizing provides you greater influence over what will happen. Making plans entails deciding in advance what to do, how to do it, when to do it, and with whom to accomplish it. This outweighs any problems with moving the affiliation to its proper location. The ability to arrange involves creating goals and placing them in a logical order. An all-around organized organization achieves its goals more quickly than organizations that don't plan before executing.

### **Planning Process in Management**

#### **i. Perceiving Need for Action:**

The focus on business potential and the need for action are the first steps in the planning process. It is necessary to identify current and potential open doors so that preparations may be made for them. Additionally, the pattern of the financial situation has to be visualized. For instance, if the legislature is considering making rural areas into contemporary centers, a wise agent would consider building homes that are appropriate for that situation and will take use of the services provided as a result. The benefits and drawbacks of such jobs should be considered before venturing into new areas. A beginning should be made immediately after a detailed examination of the freshly open door [2].

#### **ii. Social affair Necessary Information:**

Before beginning real planning, relevant statistical data are obtained. All information pertaining to corporate activities should be meticulously collected. It is important to give careful thought to the kind of clients to be handled, the circumstances under which goods are to be distributed, how



much to charge customers, and other issues. The statistical information obtained will assist in limiting realistic plans.

**iii. Setting Down Objectives:**

Destinations are the goals that the government is working to achieve. The end outcomes are the destinations, and all efforts are focused on achieving these goals. The goals of an organization serve as the thread that binds it together. Establishing destinations is the first step in planning. The connection between planning and destinations enables employees to understand their responsibilities. Workers' aids are destinations. It is essential that goals be thoughtfully laid out and communicated to everyone within the organization.

**iv. Deciding Planning Premises:**

Planning is consistently necessary for an uncertain future. Despite the possibility that nothing in the near future will be definite, some assumptions should still be made while making specific plans. Despite the risk that certain estimates may not show improvement, estimates are essential for planning. A gauge suggests that future events are assumed. It is considered that the actions of certain variables make up the arrangement of premises.

**v. Analyzing Alternative Course of Action:**

Choosing the optimal approach will be the next step in the planning process. There are several ways to accomplish a task. After giving each option some thought, the organizer should make their final decision. Best results will only be achieved when the most optimal approach of doing a task is selected. According to Koontz and O'Donnell, "There are sometimes arrangements formed for which rational alternatives don't exist. Before making a final choice, all the advantages and costs of various strategies should be considered.

**vi. Assessment of Action Patterns:**

After choosing a strategy, the next step will be to evaluate those possible courses of action. An examination of how certain activities were carried out will be part of the assessment. There will be a comparison of several factors. A strategy may be logical yet include significant risks, whereas another may involve less money but not necessarily be more advantageous. The evaluation of various activity designs is essential for effective planning.

**vii. Deciding Secondary Plans:**

Several stable designs are needed once a principal design has been determined. Auxiliary designs are undoubtedly necessary when using the principal layout. When a creative design is decided, for instance, several preparations for obtaining raw materials, purchasing equipment and machinery, and hiring laborer's will be necessary. The basic arrangement will be a little part of each and every auxiliary arrangement [3].

**viii. Execution of Plans:**

The implementation phase is the last step in the planning process. A lot of effort should go into the planning so that corporate objectives may be reached. A solid foundation of techniques, methodologies, gauges, and budgets will be needed for the implementation. These gadgets will enable better plan consumption.

In organizations, planning is a form of organization that emphasizes presenting objectives for the future direction of the organization and selecting the tasks and resources needed to achieve those goals. Executives may create designs, such as a technique for advancement or an advancing arrangement, to achieve the goals. Constant organization serves a purpose. The achievement of certain goals or ambitions may be the cause.

An association's productivity increases with planning. It lessens the risks necessary for modern economic activities. It makes the best use possible of the resources and time at hand. Using the four questions, "where would we say we are today with respect to our business or philosophy orchestrating?" planning is to recognize what the affiliation has to undertake. What is our destination? Where may we like to travel? How are we getting there?

When they are strapped for cash, many people think about budgeting. Students may find that creating a budget helps them understand how to deal with their high expenses, limited income, and the quantity they must buy. Self-sufficient individuals meticulously plan their spending to ensure that their initial paychecks are correctly allocated among emergency savings, retirement investments, understudy advance reimbursements, rent and utilities, and rewards for their hard work.

Truth be told, budgeting isn't only for times when your money is tight or your life is going through a significant change. Instead, budgeting is for individuals of all ages who are barely able to bring in the bacon. Everyone, young and old, wealthy and impoverished, should plan. Indeed, if you stick to your budget consistently, it will be far less difficult to do so while facing progress or financial stress. Where do you think a Fortune0 company like Amazon would be right now if proper planning and budgeting weren't in place? Shouldn't there be anything said about wealthy people like Warren Buffett? It is quite unlikely that he or his holding company, Berkshire Hathaway, could have achieved such success without focusing on their monthly, quarterly, and annual cash inflow and surge. Planning may help you become wealthy as well as get you out of a tight spot. Organizational planning and budgeting are interwoven since the ability to carry out plans will determine whether a project approach is successful or unsuccessful. Another way to look at it is that adjustments to the financial plan for a certain operation of the venture or a developing project for another will signal changes to the organizational strategy. As a result, planning and organizing are crucial components of any business system arranging frameworks since they have an impact on the project's key axes.

For instance, business initiatives often include a variety of duties that call for the utilization of a company's financial, intellectual, and physical resources. A job using statistical surveying will result in an extension for another item's investigation, development, and design. Therefore, an RD&E project might result in a generation strategy project to produce the new item and no more effective locations to get it closer to its target customers. Therefore, splitting the RD&E extend budget in half or tripling it will have a substantial effect on the project's long-term success as it will have an impact on other departments within the company that are working on projects related to the RD&E extend.

Undertaking arranging and planning can be for the most part grouped into:

- i. Unified or Centralized
- ii. Degenerated or Devolved
- iii. Mixture or Hybrid

**Unified:** Base camp or official administration coordinates all arranging and spending plans from the top then downwards in the association chain of importance. It will nearly take after Frederick Winslow Taylor's Principles of Scientific Management.

**Lapsed:** Centre managers put in place arrangements that were properly managing the project's main bearing. Official management believes that the project contains information professionals who are experts in their respective domains. The recommended main heading is preferred by the Management Board within specific financial constraints, such as predicted rates of profitability or value.

**Mixture:** Based on input from center administrators and the general public, official administration determines and establishes the main heading of the endeavor. Plans for expenditure and preparations are made in this setup. Basically, a top-down strategy can break down an enterprise's budget and goals into individual items, a base-up approach can summaries them, and a top-down and base-up approach can combine them.

### **Group Planning**

Group planning of the organization will ordinarily allude to the contribution of the significant units of an undertaking, for example, the fund, promoting, creation or innovation divisions. It can likewise allude to the inclusion of the geographic units of a transnational or worldwide firm. A few ventures additionally include outer gatherings in their gathering arranging where contributions from the urgent parts of the store network, participation and coordinated effort, or pariahs looking-in are a piece of the association's system. Group planning of the organization will generally show in normal top managerial staff or administration panel' gatherings with fluctuating frequencies, for example, month to month, quarterly or yearly. Customary gatherings have required the physical habitations of agents from the different specialty units of the undertaking. With enhancements in media communications, venture gather arranging can be directed through video conferencing where members might be scattered geologically. Be that as it may, video conferencing still has all the earmarks of being a deficient substitute when warm, relational relations are a piece of the company's way of life.

However for quick paced occasions like cataclysmic events or an emergency of the budgetary markets that require prompt activity from the enterprise, video conferencing may be the main choice. Investigating that requires the significant assets of the enterprise will likewise involve undertaking bunch arranging. Here, big business arranging frameworks take a strategic shape as opposed to a vital concentration to protect the solidness or guarantee the survival of the undertaking [4].

### **Planning Programming**

Endeavour arranging programming will have shifted or profundity of scope however won't basically allude to big business asset arranging programming. This will incorporate arranging

driven programming and the apparatuses to help key and strategic getting ready for and over the venture, for example,

- a) Procedure development and situation arranging programming
- b) Execution estimation and assessment programming
- c) Extend administration programming
- d) Information distribution center or business insight programming
- e) Venture advancement programming

### **Enterprise Data Planning**

Enterprise Data Planning is the beginning stage for big business wide change. It expresses the goal and depicts how you will arrive. It characterizes advantages, expenses and potential dangers. It gives measures to be utilized enroute to judge advance and modify the adventure as indicated by evolving conditions. Information is major to speculation endeavors. Viable, financial administration of information supports operations and empowers changes expected to fulfill client requests, rivalry and control. Information warehouse(s) and different parts of the general information engineering are basic to the undertaking.

EDM works has made a vital information arranging approach for the Investment Sector. It comprises of an arranging procedure, arranging intranets, formats and preparing materials. EDM works arranging process depends on the conviction that broad area learning essentially abbreviates arranging emphasizes and empowers continuously higher quality intends to be delivered and actualized. This approach drives the advancement of a powerful and financial Enterprise Data Architecture. Enterprise Data Planning depends on demonstrated business disciplines. Key compositional layers for information and applications are then included request to give a venture wide comprehension of the utilizations and interdependencies of information. This empowers the meaning of the center parts of the EDM design:

- a) Industry structure and business targets
- b) Evaluation of frameworks and administrations
- c) Target design for applications, information and foundation
- d) Target association structures
- e) Frameworks, database, foundation and hierarchical plans
- f) Business case, costs, advantages, results and dangers.

EDM works utilizes a few segments from the Open Systems Group TOGAF endeavour frameworks arranging process. TOGAF goes about as an augmentation to great business arranging strategies to give a structure to the advancement of the frameworks and information compositional segments. James Martin was one of the pathfinders in data masterminding methods. He was one of the first to distinguish information similar to an undertaking wide resource that required administration. He built up a progression of devices and strategies to help that procedure.

The majority of the expensive counselling firms built up their own techniques to address a similar fundamental issue. Much of the time, their methodologies were joined into their own marked framework improvement procedures that enveloped the entire frameworks advancement life-cycle. Others, for example, Ed Tozer, grew more engaged offerings that managed the complexities of separating key business needs from senior administration and after that characterizing important compositional dreams for the particular enterprise. From these diverse sources, the thoughts of Business, Data, Applications and Technology Architectures developed. The Open Group Architectural Framework has taken this work forward and has set up a sound technique in TOGAF. EDM works approach is to receive these arranging and engineering rehearses as a premise and afterward add two extra measurements to the arranging and execution center. Space information of the Investments part. Speculations is a complex worldwide industry with a typical arrangement of attributes about customers, data sellers, rivalry and direction. Space learning altogether enhances the nature of the arranging and execution forms Advancement of individuals and groups. Change is a noteworthy element of in any Enterprise Data Management program and individuals and groups both need improvement keeping in mind the end goal to make EDM viable all through an association [5].

### DISCUSSION

The importance and perspectives of planning in various contexts highlight the diverse ways in which this process plays a pivotal role in achieving desired outcomes. One key aspect of planning is its ability to anticipate and forecast the future. By analyzing current trends and making informed predictions, planners can develop strategies that adapt to changing circumstances and maximize opportunities. This forward-thinking approach allows individuals and organizations to stay ahead of the curve and proactively address potential challenges. From a psychological perspective, planning is closely intertwined with cognitive processes and executive functions. The brain's ability to engage in goal-directed thinking and decision-making is crucial in effective planning. Studies have shown that damage to specific regions of the brain, such as the frontal cortex, can impair planning abilities and hinder overall cognitive performance. This highlights the neural basis of planning and underscores its significance in cognitive functioning. In the realm of public policy and urban planning, planning takes on a broader societal dimension.

Planners are tasked with shaping the physical and social environments in which communities thrive. Through comprehensive land-use strategies and thoughtful policy development, planners work towards creating sustainable, livable spaces that meet the needs of diverse populations. The involvement of planners in decision-making processes helps ensure that future developments align with the long-term goals and aspirations of communities. Moreover, planning provides individuals and organizations with a sense of direction and control over their activities. By setting clear goals, identifying the necessary steps, and allocating resources effectively, planning allows for better coordination and utilization of time and effort. It serves as a roadmap, guiding individuals towards their objectives and providing a tangible measure of progress. The ability to track progress and make adjustments along the way enables individuals to stay focused and adapt to changing circumstances, increasing the likelihood of successful goal attainment. The importance and perspectives of planning highlight its essential role in various contexts. From individual goal setting to strategic decision-making in public policy, planning provides a framework for achieving efficiency, effectiveness, and desired outcomes. By understanding the cognitive, psychological, and societal aspects of planning, individuals and organizations can

harness its power to navigate complexities, overcome challenges, and shape a future that aligns with their objectives [6]–[8].

### CONCLUSION

The importance and perspectives of planning in various contexts underscore its indispensable role in achieving success and driving progress. Whether in individual endeavors or societal initiatives, planning serves as a cornerstone for effective decision-making and goal attainment. It enables individuals and organizations to anticipate and shape the future, adapt to changing circumstances, and optimize resource allocation. The cognitive and psychological aspects of planning highlight the neurological processes involved in strategic thinking and the potential impact of disruptions on planning capacity. Furthermore, in the realm of public policy and urban planning, planners play a crucial role in shaping the physical and social environments to meet the needs of communities. Overall, recognizing the significance of planning empowers individuals and organizations to navigate complexities, foster innovation, and create a pathway towards a desired future. By embracing planning as an essential tool, we can maximize efficiency, enhance outcomes, and effectively steer our endeavors towards success.

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## CHAPTER 14

### AN OVERVIEW OF THE UNDERSTANDING ENTERPRISE RESOURCE PLANNING (ERP) SYSTEMS

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#### ABSTRACT:

Enterprise Resource Planning (ERP) systems have revolutionized the way organizations collect, store, manage, and interpret data from various business activities. This abstract provides an overview of ERP systems, highlighting their integrated nature and real-time functionality. It explores the common characteristics of ERP systems, including the use of a shared database and consistent user interface. The abstract also discusses the importance of best practices in ERP implementation and their impact on reducing project tasks and risks. Additionally, it delves into the connectivity of ERP systems with plant floor data, explaining different integration methods. Finally, the abstract addresses the challenges and considerations involved in ERP implementation, such as process changes and customization. Overall, this abstract provides a comprehensive understanding of ERP systems and their significance in enhancing organizational efficiency.

**KEYWORDS:** Business Processes, Data Integration, ERP Implementation, Information Flow, Integrated Applications, Time functionality.

#### INTRODUCTION

Enterprise Resource Planning (ERP) systems have become essential tools for organizations seeking to streamline their operations and gain a competitive edge in today's fast-paced business environment. These sophisticated software solutions enable businesses to integrate and manage a wide range of critical processes, data, and resources in a centralized system. With the ability to collect, store, and interpret data from various business activities, ERP systems provide organizations with an integrated and real-time view of their core operations. This comprehensive introduction aims to provide a thorough understanding of ERP systems, their key features, benefits, and implementation considerations[1], [2]. By exploring the fundamental concepts and functionalities of ERP systems, this article aims to equip readers with the knowledge necessary to grasp the significance and potential impact of ERP systems on organizational efficiency and effectiveness.

ERP is sometimes referred to as a category of business-administration software and is a collection of coordinated programs that a company may use to collect, store, monitor, and translate data from these many business activities. ERP provides a comprehensive and continuously updated view of core company processes using fundamental databases maintained by a database management system. ERP frameworks keep track of the company's financial resources, raw materials, generation cap, and the state of its operational duties, including orders, purchase requests, and financing. The apps that make up the framework communicate data

across several information-giving divisions. ERP manages relationships with external partners and promotes data flow across all corporate functions.

Programming for enterprise resource frameworks is a multimillion-dollar industry that creates components for various business functions. Over the last ten years, IT speculations have become the largest category of capital consumption in US-based organizations. Although early ERP frameworks were mostly focused on large projects, smaller projects are increasingly using ERP frameworks. The ERP framework includes many authoritative frameworks and promotes error-free communication and generation, ultimately increasing the efficiency of the association. However, developing an ERP framework differs from traditional framework enhancement. ERP frameworks typically use a database as a data repository and function on a variety of PC hardware and system configurations.

Typically, ERP frameworks have the following characteristics:

- a) An incorporated framework
- b) Works in ongoing
- c) A typical database that backings every one of the applications
- d) A reliable look and feel crosswise over modules
- e) Establishment of the framework with expound application/information mix by the Information Technology division, gave the usage is not done in little strides

The majority of ERP frameworks group best practices. This suggests that the product reflects the seller's explanation of the most effective way to carry out each business operation. Frameworks alter in terms of how the customer may benefit from changing these practices. Organizations that used industry best practices reduced the amount of time needed for laborious project tasks including setup, documentation, testing, and preparation. Best practices also reduced risk by % in comparison to other programming executions. Using best practices makes it easier to comply with regulations like IFRS, Sarbanes-Oxley, or Basel II. They may also help correspond to actual industrial models, including the trade of electronic assets. This is due to the fact that the strategy can be quickly categorized inside the ERP software and reliably used across several organizations that have the same business need.

### **Connectivity to Plant Floor Data**

ERP frameworks communicate with real-time data and share data in a variety of ways. These frameworks are often put together by framework integrators, who provide a wealth of knowledge about equipment, method, and merchant arrangements.

**Direct Integration:** A component of the item advertising for ERP frameworks is availability. This necessitates the sellers providing special assistance for the factory floor equipment their customers use. ERP vendors must be experts in both their own unique products and accessibility to other merchant products, including those of their competitors [3], [4].

**Database Integration:** ERP frameworks connect to plant floor data sources by arranging database tables. The critical information is kept in the database via plant floor frameworks. The data in the table are examined by the ERP framework. The benefit of organising is that ERP merchants are spared from mastering the challenges of equipment reconciliation. Availability becomes the framework integrator's responsibility.



**Enterprise Machine Exchange Modules:** Using the ERP framework's supported communication protocols, these devices communicate directly with hardware on the factory floor and with the ERP system. An organizing table, online administrations, or program interfaces designed for a particular system may all be used by EATM. The fact that an EATM is a ready-made system is a benefit.

**Custom Integration setups:** There are several framework integrators who provide these types of setups. These structures often have the highest initial integration costs, as well as potential for greater long-term maintenance and unchanging quality costs. Through careful framework testing and thorough documentation, long-term costs may be kept to a minimum. Custom-integrated setups often continue to operate on workstation- or server-class PCs.

### Execution

ERP's extension ordinarily suggests noteworthy changes to staff work procedures and practices. For the most part, three sorts of administrations are accessible to help actualize such changes—counselling, customization, and support. Execution time relies upon business estimate, number of modules, customization, the extent of process changes, and the status of the client to take proprietorship for the venture. Measured ERP frameworks can be actualized in stages. The run of the mill extend for a huge venture takes around months and requires around 0 advisors. Little activities can require months; multinational and other extensive usage can take years. Customization can significantly expand execution times. Other than that, data preparing impacts different business capacities e.g. some expansive enterprises like Wal-Mart utilize an in the nick of time stock framework. This diminishes stock stockpiling and builds conveyance productivity, and requires breakthrough information.

### Advantages

- i. ERP may improve a company's quality and production. Better results from ERP, such as in client administration and assembly, may benefit the organization.
- ii. ERP supports top level management by providing data to the most fundamental leadership.
- iii. ERP results in a more agile organization that adapts to change better. Additionally, it makes an organization more flexible and less rigidly organized so that organization segments function even more effectively, improving the company both inside and outside.
- iv. ERP can improve data security. A common control structure, such the type provided by ERP systems, gives organizations the ability to more easily ensure that important organizational information is not compromised.
- v. ERP increases the opportunities for collaboration. The cutting-edge project uses a variety of forms for information. records, reports, buildings, audio and video, and communications. Every communication medium often offers a unique tool for enabling coordinated effort. ERP provides a collaborative environment that allows employees to focus more on creating content together rather than meeting the need to learn and adapt to communicating in various configurations across many distributed frameworks [5].

## Weaknesses

- i. Customization carries some risk. In contrast to the best-of-breed strategy, ERP may be thought of as satisfying an organization's most minimal common element demands, motivating the association to find workarounds to satisfy unique requests.
- ii. Modifying business processes to meet the ERP framework may reduce their intensity or take their focus away from other fundamental tasks.
- iii. ERP may be more expensive than less comprehensive or integrated systems.
- iv. High ERP exchange prices may increase the ERP vendor's negotiating strength, which can increase support, maintenance, and redesign costs.
- v. Overcoming divisional resistance to exchanging sensitive data helps refocus administrative attention.
- vi. Combining really free organizations may result in useless circumstances.
- vii. Extensive preparation requirements deplete resources from daily operations.
- viii. ERP frameworks may be a laborious task that takes a lot of planning, effort, and money.

## Postmodern ERP

Gartner coined the phrase "postmodern ERP" in 2013, the year it first appeared in the paper compilation "Predicts14." According to Gartner's definition of the postmodern ERP process, legacy, robust, and profoundly modified ERP suites, in which all components are intensely interdependent, should eventually be replaced by a combination of cloud-construct and on-premises applications, which are more closely coupled and can be switched out with ease if necessary.

The basic tenet is that there should always be a central ERP arrangement that would take care of the majority of essential business functions, while other functions would be covered by master programming arrangements that simply extend the central ERP. This concept is similar to the ostensible best-of-breed approach to managing programming use, but it shouldn't be confused with it. While the applications that make up the whole in the first two situations are often roughly related and interchangeable, there is no ERP organization at all in the third. Instead, each business task is protected by a unique programming configuration [6]. However, there is no clear regulation on which business functions should be included in the core ERP and which should be covered by supplemental arrangements. According to Gartner, each organization must define its own postmodern ERP process in light of its internal and external demands, operations, and processes. For instance, a company can argue that the central ERP setup should cover the business forms that need to stay within the firewall and, as a result, keep the central ERP on-premises.

You discovered in this unit that the Enterprise Planning Process has a broader reach. The enterprise planning process looks at a venture's ability to offer goods or services as well as the resources that are or are not available to it. Additionally, it takes into account any factors that can significantly or adversely affect the association's ability to carry out these operations. Additionally, you learned that enterprise resource planning (ERP) is the coordinated management of key company processes that is typically progressive and aided by programming and innovation. Enterprise planning therefore gives your company direction and purpose, boosts its competitiveness, and enables you to succeed in the endeavours you embark on [7].

Enterprise resource planning is the coordinated management of key business processes, typically done incrementally and with the aid of programming and innovation. Modules for Enterprise Machine Exchange Through methods supported by the ERP system, these devices communicate directly with factory floor hardware and with the ERP framework.

It is difficult to remain ignorant to the existence and dominance of business families in the Indian market, from your neighborhood kirana store to the city gems shop to the legendary industrial firms. Families dominate the majority of the large corporations, including The Tatas, Ambanis, Birlas, Godrej, Munjals, Mahindras, Thapars, Mittals, ShaparjiPallonji, Jindals, Adanis, and even media outlets like TIMES Of India. knowledge the Indian business environment requires a knowledge of the family patriarch and the family as a whole. Family companies have been around for a while, but due to changes in society, the economy, and the family itself, they have undergone some tough and necessary adjustments. The bazaar system of moneylending, which was monopolized especially by the Jains and Marwaris of northern India, is where family businesses in India can be traced back to. Family businesses in the industrial era are relatively recent, dating to the First World War and British rule.

Jamshetji Tata and the Tata family are a notable and famous example of this. From Jamshetji Tata to Ratan Tata, the illustrious family has been a driving force in industrial growth as well as providing employment to thousands of skilled and unskilled youngsters in India via its international, multi-specialty brand house. The mainstay of the Indian economy are family enterprises, whose gross production accounts for roughly% of India's GDP or around% of its industrial output. Take a look at the following examples to see how large this number is:

- i. Gross output of top-50 Public Sector Units is around a third of Family Business output.
- ii. Gross revenues of ET-500 businesses are roughly equal to the Family Business output

A company where the main decision-makers are many generations of a family that are connected by marriage or blood. One of the earliest types of economic organization is it. It is often observed that the significance of this astounding aspect of economics is sometimes underestimated. The fact that % of the fortunes of Forbes0 members came from ownership or affiliation with a family firm indicates the need of understanding the subtleties of family business and its management. A company is technically considered to be family-owned if one person owns the majority of the voting shares, or if they have enough shares to guarantee at least % of the voting rights and the greatest % of voting rights relative to other shareholders [8].

### **The Three Circles Model**

It is a model used to show the three facets of a family-owned organization: - Family, ownership and management. This helps us to understand how these three models overlap.

**Family Circle:** It includes everyone belonging to the family. These are those people who are considered with the social capital of the family.

**Ownership Circle:** Family members, investors, employee owners concerned with the financial capital of the company.

**Management Circle:** Non family members who are basically employees who are employed by the owners, fall into this category.

**Genogram**

A genogram is an organization chart for the family. It is an enhanced family tree that shows not only family events like births and deaths, but also indicates the relationships among individuals in the family. It is a useful tool for spotting relationship patterns across generations, and decrypting seemingly irrational behavior.

**Family Myths**

Sets of beliefs that are shared by the family members by which they tend to defend themselves from the outer tribulations.

**Fairness**

Fairness is a fundamental issue in family business decision-making. Solutions that are perceived as fair by the family and business stakeholders are more likely to be accepted and supported.

**Emotional Dimensions of Families**

Families have complex and dynamic emotional bonds and disputes. It is impossible to create set rules that govern their behavior because of the inability to comprehend them in a proper way. This is a major governing factor when it comes to family business.

**Succession Planning**

One of the most important things to understand in the working of family businesses is succession. Basically it is determining who will take over leadership and/or ownership of the company when the current generation retires or dies. Formulating and executing a well-defined succession plan can save the organization from many conflicts thus preventing any inhibition to the business and failing to do so can actually question the whole organizational structure. Having a clear statement of goals, an organized plan to accomplish the goals, a defined hierarchy for decision-making, an established plan for succession, and strong lines of communication will help to prevent many possible problems from arising. Intrusion of emotional and personal relationships should be made minimal. Only the success of the organization should be kept in the forefront.

**DISCUSSION**

In today's digital age, Enterprise Resource Planning (ERP) systems have become a critical component of organizational success. These integrated software solutions streamline operations, enhance efficiency, and facilitate informed decision-making. ERP systems bring together various business functions and processes into a centralized database, enabling a holistic view of the organization. With functionalities spanning finance, human resources, supply chain, manufacturing, and customer relationship management, ERP systems eliminate data silos and promote seamless communication between departments. This integration fosters transparency, standardization, and control, allowing organizations to optimize resource planning and management. Furthermore, ERP systems offer business intelligence and reporting capabilities, empowering organizations to derive valuable insights from their data. By automating workflows and reducing manual efforts, ERP systems improve operational efficiency and productivity. Ultimately, the implementation of an ERP system yields numerous advantages, including cost savings, reduced lead times, better customer service, and data integrity. In essence,

understanding ERP systems is essential for organizations looking to stay competitive in today's dynamic business landscape [6], [9].

### CONCLUSION

In conclusion, enterprise resource planning (ERP) systems are powerful tools that revolutionize the way organizations operate. By integrating various business functions and processes into a centralized database, ERP systems provide a comprehensive view of the organization's operations, fostering transparency, collaboration, and data integrity. With functionalities spanning finance, human resources, supply chain, manufacturing, and customer relationship management, ERP systems streamline workflows, automate processes, and enhance decision-making capabilities. The advantages of implementing an ERP system are numerous, including improved operational efficiency, cost savings, better customer service, and data-driven insights. As businesses continue to navigate a rapidly evolving landscape, understanding and harnessing the potential of ERP systems has become crucial for maintaining a competitive edge. With their ability to transform operations and optimize resource planning, ERP systems empower organizations to adapt, innovate, and thrive in today's digital era.

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## CHAPTER 15

### AN ELABORATION OF THE STRATEGIC PLANNING IN FAMILY BUSINESSES

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#### **ABSTRACT:**

Family businesses are a significant contributor to the global economy, accounting for a substantial portion of employment and GDP in many countries. However, the unique dynamics of family businesses present both challenges and opportunities when it comes to strategic planning. This paper explores the concept of strategic planning in the context of family businesses, highlighting the importance of aligning family and business goals, managing family dynamics, and integrating long-term vision with short-term objectives. It discusses key considerations in strategic planning for family businesses, such as succession planning, governance structures, and the role of family values and culture. The paper also examines various strategic planning models and frameworks that can be adapted to the specific needs and characteristics of family businesses. Furthermore, it explores the potential benefits of involving external advisors and the role of communication and transparency in the strategic planning process. By examining the strategic planning practices of successful family businesses, this paper aims to provide insights and recommendations for family business owners and stakeholders to enhance their strategic decision-making capabilities and ensure the long-term sustainability and growth of their enterprises.

#### **KEYWORDS:**

Business Planning, Business Governance, Family Dynamics, Family Values, Long Term Vision, Short Term Objectives.

#### **INTRODUCTION**

Family businesses form a crucial pillar of the global economy, contributing significantly to employment, innovation, and economic growth. These enterprises are characterized by a unique blend of family dynamics, ownership structures, and business operations. Strategic planning plays a vital role in ensuring the long-term success and sustainability of family businesses. However, the intricate interplay between family relationships, personal aspirations, and business objectives adds complexity to the strategic planning process in these organizations. The purpose of this paper is to delve into the realm of strategic planning specifically within the context of family businesses. By understanding the challenges and opportunities that arise in such settings, family business owners and stakeholders can develop effective strategies to navigate their unique circumstances. This exploration will shed light on the importance of aligning family and business goals, managing family dynamics, and integrating long-term vision with short-term objectives [1].

Strategic planning in family businesses requires a comprehensive approach that encompasses not only financial considerations but also the preservation of family values and culture. Balancing the needs and aspirations of family members while driving business growth and competitiveness is a delicate task that demands careful thought and strategic foresight. Additionally, succession planning and governance structures play pivotal roles in ensuring smooth transitions and effective decision-making processes. This paper aims to provide insights into strategic planning models and frameworks that can be tailored to the specific requirements and characteristics of family businesses. By examining successful family businesses' practices, valuable lessons and best practices will be identified to enhance strategic decision-making capabilities. Furthermore, the potential benefits of involving external advisors, such as consultants and industry experts, will be explored, along with the significance of communication and transparency in the strategic planning process and strategic planning in family businesses is a multidimensional process that necessitates a deep understanding of the intricate interplay between family dynamics and business goals. By adopting a comprehensive and tailored approach, family business owners and stakeholders can chart a clear path for their organizations, ensuring sustainable growth, harmonious family relationships, and the preservation of their unique legacy.

Strategic planning centering around both business and family goals is vital to successful family businesses. In fact, planning may be more crucial to family businesses than to other types of business entities, because in many cases families have a majority of their assets tied up in the business. Indian family businesses houses are more diversified as compared to their global counterparts. They are ambitious and completely acknowledge the need to professionalize functions and operations and splash in non-family members to run the business. Also, certain legal regulatory changes are making the change inevitable. The optimistic plans of growth and strategic proliferation of family business into new products, markets, mergers and acquisitions makes the formation of effective boards, having people with right expertise and requirement.

India firms tend to use external sources of finance like banks, equity financing, debt financing more as compared to their global counterparts. But the dependence on one's own capital always takes an edge. The above sources are commonly used alternatives when the latter is not adequate. Also, another important characteristic is that family business firms no longer view technology as an area of concern, rather it is viewed as an opportunity to reshape the future. Geopolitical challenges, Brexit, the US elections, conflict dominated states despite all these issues Indian companies continue to look favorably at expanding their global footprint, though there has been a slight dip in the number of companies exporting overseas. The economic and political stability of the country is of paramount importance in deciding to explore new markets, both for Indian businesses as well as global family businesses. This is followed by size and growth potential. Proximity to India and language barriers are apparently not too much of a concern for Indian family businesses as they look at new markets. The importance of digital cannot be over-emphasized in India. Challenges such as lack of a clear digital operations vision from the leadership, lack of skills in data analytics, absence of a strong digital culture and training, and unclear economic benefits of digital investment often plague these organizations. Operational disruption on account of a cyber security breach is another area of concern. Revenues from digitizing products and service portfolios will increase, as will improvement in efficiencies and costs thus paving way for a more profitable business [2].



- i. **Need to Continually Innovate:** The issue of innovation in family business is necessary as well as debatable. It is seen that innovation is the cornerstone parameter in the growth of a business.
- ii. **Keeping pace with the Digital and New Technology:** Technological developments have been increasing at an alarming pace. Keeping pace with it, when the foundation of the business is on conservation is difficult.
- iii. **Ability to Attract and Retain the Right Talent:** It is important to realize that meticulous corporate governance measures and a professionalized work system be developed to attract the best talent pool available which would take the business to greater heights.
- iv. **Competition:** With entrepreneurship in the air and innovation at its core, market trends have shown unpredictable changes. Robust measures need to be taken to survive.
- v. **Need to Professionalize Business:** Organizations need to be run systematically and in a professional manner if it needs to garner profits in an explicable manner.
- vi. **Complying with Regulations:** Strict regulatory measures are being introduced to control the family run business making it difficult to run on informal grounds.
- vii. **General Economic Situation:** The general economic paradigm of the country is a deciding factor in any business. The dynamics of economic forces affect the leaders and decision makers in a veritable manner.

### Advantages and Disadvantages of Family Run Businesses

**Stability:** Certainty in leadership results in longevity, which consequently gives an overall stability to the organization. Commitment- When the legacy of the families are at stake, it creates a deep sense of commitment which is impracticable when it comes to non-family firms. This leads to a better deliverance of responsibilities. Commitment to family is imbibed in every individual which gets reflected in the course of their work.

**Flexibility:** Family members juggle through various roles and responsibilities to ensure the success of the company. There is no hard and fast rule to work assignment. Long term outlook- Families carry legacies, legacies that never die. They want to create an eternal presence due to which they think of years and decades ahead. This creates a bend towards good strategy and careful decision making. Decreased cost- A feeling of belongingness creates a willingness to contribute their own finances to ensure smooth functioning. During challenging times this proves to be a boon to the organization. This tendency to tighten one's belt for the business to survive is a benefit truly looked upon.

### Disadvantages

**Lack of Interest:** Sometimes, when the successive members do not consider the business lucrative and exhibit a lack of interest, it results in a stale and malfunctioning organization with apathetic and unengaged employees [3].

**Family Conflict:** Family is a complex bond of relationships and its dynamics are highly unpredictable. In such situations conflicts are bound to arise. Deep seated, long lasting bitter quarrels can affect every single person within the firm and can draw divisive lines. This hampers the family businesses in a disastrous manner. One such example can be the infamous dispute between the sons of Reliance India founder DirubhaiAmbani, Anil and MukeshDirubhaiAmbani.

These battles create a lot of tribulation in the marketplace as well as the whole structure of the business family.

**Unstructured Governance:** Issues such as internal hierarchies and rules can be of considerable importance due to the level of inherent trust at family firms. Lack of a very formal layout of organizational detail can be gravely detrimental to family businesses.

**Nepotism:** Nepotism is that devil, which has plagued every industry across the world. People who lack the skills, education or experience are given jobs by virtue of their belonging to a family. This creates a sheer incompetence at higher levels and degrades the organization in a versatile manner.

**Succession Planning:** Lack of sound succession planning, because of the inability of the leader to accept the fact that he needs to step down or because the family thinks that there is too much trust and succession planning is futile. A succession plan is instrumental in running of family business.

**Pressure of Success:** Family businesses create undue pressure on the new generations. These business owners many also feel torn between adopting new, more popular methods of doing things and holding tradition.

### **Entrepreneurship and Family**

When the company is founded, the owner plays the entrepreneurial role in the organization. They identify a good business opportunity, develop a sound plan brimming with innovation and start a venture. The later generation of the family, who takeover is expected to look after and nurture the founder's creation and not change it or rather be entrepreneurs themselves. But innovation and entrepreneurship are the heart of any business. It is often cited that-25% of businesses survive in the first generation, only 9-10% survive the second generation and it stoops to a staggering 3-4% in the third generation. The most significant reason for this is the lack of entrepreneurial motivation in the subsequent generations.

Entrepreneurship, in today's realm, is mandatory for survival itself. One such way where business families make sure that entrepreneurship pumps the growth of the organization is by recruiting managers inside the business who play the parts of an entrepreneur, can identify opportunities and escalate the growth and provide a competitive edge. It may seem that entrepreneurship, will burn down the legacy of the family and the leaders can become disillusioned and stick to conservative and old methodologies of production and selling but in the era of rapid technological and social change, it is not wise to cling to current or older lines of businesses. Innovation in product as well as the method of selling is the need of the hour. A very important dimension of entrepreneurship is that, you must be able to identify growth opportunities in and out of the core industry and pursue them in an experimental and cost-effective ways. Diversification is at the helm of affairs when it comes to entrepreneurship. Meticulous investments which drive potential profit ventures is important for the proliferation of the family business. Family businesses are evolving and experiencing a demeanor shift in their structure. It is important to understand that such businesses contribute to major chunk of the economy and form one of the most complex structures in the business management. Careful strategizing is required in matters concerning innovation, entrepreneurship, survival and

succession. Some of these family owned businesses hold an innate potential to transform into a multinational empire [4].

Today, Indian family businesses are very optimistic about their future, which is clearly demonstrated by the heightened entrepreneurial activity being witnessed in the country. It surely displays a significantly an ignition of innovative minds and a courage to venture into the unexplored arenas of the business world. Women entrepreneurs contribute to the Indian economy in a significant manner. There are huge number of micro, small, and medium enterprises with full or partial female ownership. Approximately, percent of women enterprises belong to the services sector. Women entrepreneurship is largely concentrated towards smaller sized firms, as most of the women-owned businesses are micro-enterprises. Despite of their contribution in the growth of economy there are many issues which need to be addressed effectively to smoothens the growth of women entrepreneurs. The issues need to be addressed are related to finances, access to the labour market, legal issues related to the industrial relations, access over economic resources, the challenges pertaining to their male counterparts, entrepreneurial opportunities and others. However, it has been realized that women entrepreneurs are still untapped source of economic growth - who create new employment opportunities and avenues for women's economic independence.

Women entrepreneurs is defined as a Woman or a group of women who initiate, organize and run a business enterprise. Government of India has defined women entrepreneurs based on women participation in equity and employment of a business enterprise. Accordingly, a woman run an enterprise is defined as an enterprise owned and controlled by a woman having a minimum financial interest of % of the capital and giving at least % of the employment generated in the enterprise to women. A woman entrepreneur can be defined as a confident, innovative and creative woman capable of achieving self-economic independence individually or in collaboration, generates employment opportunities for others through initiating, establishing and running the enterprise by keeping pace with her personal, family and social life.

These factors are elements of necessity such as low family income, dissatisfied salary packages, difficulty in looking for a job and a requirement for a flexible work schedule because of family responsibilities. These factors may have more importance for women .The factors which promotes entrepreneurial drive such as related to independence, self -fulfillment, and desire for wealth, power and social status, co-operation and support of family members and a strong network of contacts are called pull factors. The most important factor is self-achievement expressed in terms of challenge which helps women to start, run their own business and turn it into a profitable venture. When a strong need for achievement could not be fulfilled through a salaried position or when there was a desire to transform a perceived opportunity into a marketable idea, then these factors work for a person to start their own venture.

### **Problem Faced by Indian Women Entrepreneurs**

Women in India are emotionally attached to their families, friends and relatives. besides they have to take care the domestic work, look after the children and other members of the family. They have to meet the social obligations. In such situations, it becomes difficult to concentrate and run the enterprise successfully. Even though our constitution emphasizes on equality between sexes, male chauvinism is still persisted. Women are not treated equal to men. Their entry to business requires the approval of the head of the family. Entrepreneurship has

traditionally been seen as a male domain. All these issues hinder the growth of women entrepreneurs [5].

Large percentage of women in India are lagging behind in the field of education. Most of the women are illiterate. Those who are said to be “educated” are provided either less or inadequate education than their male counterpart due to early marriage, brother’s higher education and poverty. Due to lack of formal education, women entrepreneurs remain ignorant about the development of new technology, new methods of production, marketing and other governmental support which would encourage them to flourish. The traditions and customs prevailing in Indian society towards women sometimes obstacle their growth and prosperity. Castes and religions dominate which hinders women entrepreneurs. In rural areas, they face more social and cultural barriers. They are always under estimated and seen with suspicion.

Scarcity of raw materials, unavailability of proper and sufficient raw material pose difficulties to the enterprises run by women entrepreneurs. Women entrepreneurs face a tough task in getting the required raw material and other necessary inputs for the enterprises at low prices. Further they are not taken seriously by the vendors. Women entrepreneurs’ faces lot of problems in raising and meeting the financial resources need of the venture. Banks creditors and financial institutes are not very willing to provide financial assistance to women borrowers on the ground of their less credit worthiness and more chances of business failure. Apart from this, they also face financial deficit due to blockage of funds in raw materials, work in progress, finished goods and non-receipt of payment from customers in time. Usually women entrepreneurs employ poor technology in the production of goods. In a market where there is a cut throat competition, they have to fight hard to survive in the market against the organised sector and their male counterpart who have rich experience and capacity to adopt advanced technology in managing enterprises

Several factors including obsolescence due to non-adoption or slow adoption to changing technology, high cost of finance and inefficient management contribute to the high cost of Since decades women in India were under male domination, they are by nature weak, shy and mild. They cannot bear the amount risk which is essential for running an enterprise. Lack of education, training and financial support to them also reduce their ability to bear the risk involved in an enterprises. Women mobility in India is highly limited due to social and cultural factors and inability to drive vehicles. They have to depend on others for completion of their important task. The delay in the work in one way or another increases the cost of goods.

Lack of entrepreneurial aptitude is a matter of concern for women entrepreneurs. They have limited entrepreneurial nature. Even after attending various training programs on entrepreneurship women entrepreneurs fail to overcome the risks and problems that may crop up in an organizational working. Over a period of time managing a business has become difficult for a layman. It has to be performed by efficient and trained managers. Most of the women entrepreneurs are not very efficient in managerial functions like planning, organizing, controlling, coordinating, staffing, directing, motivating etc. of an enterprise. Therefore, less and limited managerial ability of women has become a problem for them to run the enterprise successfully.

### **Legal Formalities:**

Fulfilling the legal formalities for running an enterprise becomes a very challenging task on the part of a women entrepreneur because of the prevalence of corruption in government offices.

Procedural delays for various licenses, electricity, water and shed allotments all hampers the growth of the enterprise. In such situations women entrepreneurs find it hard to concentrate on the smooth working of the enterprise. To manage a business enterprise efficiently it has become a practice to outsource some of the services and work to the third party. The tasks like marketing, distribution and money collection, have to be outsource to middlemen and other agencies. Middle men and agencies exploit them. They add their own profit margin which result in less sales and lesser profit. There are number of problems associated with the women including social, cultural and commercial in running an enterprise successfully. As a result, they lose their confidence and find hard to strike a balance between managing a family and managing an enterprise. Sometimes she has to sacrifice her entrepreneurial urge in order to strike a balance between the two [6][7].

### **DISCUSSION**

Strategic planning in family businesses involves a range of considerations and complexities that distinguish it from strategic planning in non-family enterprises. This discussion section will delve into key aspects related to the strategic planning process in family businesses, highlighting the challenges and opportunities faced by these organizations. One critical factor to address in strategic planning for family businesses is the alignment of family and business goals. Unlike non-family businesses, family enterprises often have dual objectives, encompassing both financial performance and the preservation of family values and legacy. Balancing these objectives can be a delicate task, as family dynamics and personal aspirations may influence decision-making processes. Successful strategic planning in family businesses involves engaging family members in open and constructive dialogue, identifying shared goals, and establishing mechanisms to bridge potential conflicts. Another vital consideration is the management of family dynamics. Family businesses are characterized by close relationships, emotional ties, and intricate power dynamics. These dynamics can significantly impact the strategic planning process, as personal biases, conflicts, and differing perspectives may arise.

Family governance structures, such as family councils or boards, can help provide a framework for effective decision-making, conflict resolution, and accountability. By clearly defining roles and responsibilities and establishing transparent communication channels, family businesses can navigate these dynamics and ensure strategic planning is guided by a collective vision. Integrating long-term vision with short-term objectives is another challenge faced by family businesses in strategic planning. Family enterprises often have a strong emphasis on preserving the legacy and ensuring intergenerational continuity. This long-term perspective can sometimes clash with short-term business priorities, such as profitability and market competitiveness. Striking a balance between these two dimensions requires a strategic planning approach that incorporates both immediate business needs and future-oriented strategies. It involves identifying strategic priorities, setting realistic and measurable objectives, and continuously evaluating and adjusting strategies to adapt to changing circumstances. Succession planning is a critical element of strategic planning in family businesses. Ensuring a smooth transition of leadership and ownership from one generation to the next is crucial for the long-term sustainability of the business. Strategic planning should include robust succession plans that identify and develop future leaders, establish clear criteria for leadership selection, and outline mechanisms for knowledge transfer and mentorship.

By integrating succession planning into the strategic planning process, family businesses can ensure continuity and minimize disruption during leadership transitions. Incorporating external advisors into the strategic planning process can bring valuable insights and expertise to family businesses. External consultants, industry experts, or independent board members can provide an objective perspective, challenge existing assumptions, and offer fresh ideas. Their involvement can enhance strategic decision-making and bring best practices from outside the family system. However, it is crucial to strike a balance between external expertise and preserving the family's unique values and culture. Effective collaboration between internal family members and external advisors can leverage the strengths of both perspectives and contribute to the success of strategic planning initiatives. Lastly, communication and transparency play a pivotal role in the strategic planning process for family businesses. Open and honest communication among family members and key stakeholders builds trust and fosters a shared understanding of strategic goals and decisions. Regular family meetings, formalized reporting mechanisms, and well-defined communication channels help disseminate information, promote collaboration, and mitigate potential conflicts. Transparency in strategic planning also extends to non-family employees, ensuring their engagement, alignment, and commitment to the long-term vision of the business [8]–[10].

## CONCLUSION

Strategic planning in family businesses is a multifaceted process that requires careful consideration of the unique dynamics and complexities inherent in these organizations. The alignment of family and business goals, management of family dynamics, integration of long-term vision with short-term objectives, succession planning, involvement of external advisors, and fostering communication and transparency all play critical roles in effective strategic planning for family businesses. By recognizing and addressing the challenges specific to family businesses, owners and stakeholders can navigate the strategic planning process with greater clarity and success. Balancing financial performance with the preservation of family values and legacy is essential, and open and constructive dialogue among family members is key to achieving this balance. Establishing family governance structures and transparent communication channels can help manage family dynamics and facilitate decision-making.

Integrating long-term vision and short-term objectives requires a strategic planning approach that encompasses immediate business needs while considering intergenerational continuity. Succession planning ensures the smooth transition of leadership and ownership, safeguarding the long-term sustainability of the business. The involvement of external advisors brings fresh perspectives, expertise, and best practices to the strategic planning process, enhancing decision-making capabilities. Communication and transparency are vital components of strategic planning in family businesses. By fostering open and honest communication among family members, as well as with non-family employees, trust is built, collaboration is encouraged, and conflicts are mitigated. Transparent reporting mechanisms and well-defined communication channels facilitate the dissemination of information and promote engagement. In conclusion, strategic planning in family businesses requires a comprehensive and tailored approach that acknowledges the intricate interplay between family dynamics and business objectives. By navigating these complexities effectively, family businesses can position themselves for sustainable growth, harmonious family relationships, and the preservation of their unique legacy across generations. Through the strategic planning process, family businesses can ensure their long-term success and contribute to the broader economic landscape as vital pillars of the global economy.

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## CHAPTER 16

### AN OVERVIEW OF THE STEPS TAKEN BY INDIAN GOVERNMENT

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#### **ABSTRACT:**

The steps taken by the Indian government in addressing various socio-economic and political challenges. It provides a comprehensive overview of the government's initiatives, policies, and reforms implemented to tackle issues such as poverty alleviation, healthcare accessibility, education reform, infrastructure development, and digital transformation. The analysis highlights the government's commitment to inclusive growth, social welfare, and sustainable development, shedding light on the strategies employed to foster economic progress, enhance governance, and improve the overall well-being of its citizens. Additionally, the abstract explores the impacts and effectiveness of these measures, offering insights into the successes, challenges, and future prospects of the Indian government's transformative actions.

#### **KEYWORDS:**

Development, Economic Reforms, Government Initiatives, Governance, Healthcare Accessibility, Inclusive Growth.

#### **INTRODUCTION**

The Indian government has embarked on a transformative journey, undertaking numerous steps to address a wide range of socio-economic and political challenges. With a focus on inclusive growth, social welfare, and sustainable development, the government has implemented various initiatives, policies, and reforms to uplift its citizens and propel the nation forward. This introduction delves into the proactive measures taken by the Indian government, highlighting its commitment to alleviating poverty, enhancing healthcare accessibility, improving education, boosting infrastructure development, and promoting digital transformation. By examining the impacts and effectiveness of these steps, we gain valuable insights into the successes achieved, challenges faced, and future prospects of the Indian government's endeavors to drive progress and improve the lives of its people because female involvement is essential to the development of the entrepreneurial sector, there is a need to accelerate the growth and development of women entrepreneurs. In order to encourage women to actively engage in entrepreneurial activities, a healthy atmosphere must be created. Governmental, non-governmental, promotional, and regulatory organizations must step up and assist the advancement of women entrepreneurs in India. The Indian government has previously developed a number of programs enabling women to launch their own businesses, including training and development opportunities. The following are these programs: Seventh Five Year Plan Actions [1]:



- i. **Specific Target Group:** It was suggested to treat women as a specific target group in all major development programs of the country.
- ii. **Arranging Training Facilities:** It was also suggested to devise and diversify vocational training facilities for women to suit the changing needs and skills.
- iii. **Development of New Equipment:** Efforts should be made to increase women entrepreneurs' efficiency and productivity through appropriate technologies, equipment's and practices.
- iv. **Marketing Assistance:** It was suggested to provide and extend the required assistance for marketing the products produced by women entrepreneurs.
- v. **Decision:** Making process: Involvement of women in decision-making process should be encouraged.

### Steps taken by Government during Eight Five- Year Plan:

In order to expand employment and income-generating activities for women in rural regions, the Indian government devised unique programs. The Eight-Five Year Plan includes the following plans:

- i. The Prime Minister RojgarYojana and EDPs were created to encourage rural women to be more enterprising.
- ii. A program called Women in Agriculture was established to educate women farmers with small and marginal holdings about agriculture and related fields.
- iii. To increase the number of jobs available for women, KVIC made further steps in rural regions.
- iv. With full financial assistance from the government, women cooperatives programs were established to aid women in agro-based businesses including dairy farming, poultry, animal husbandry, horticulture, etc.
- v. A number of other programs to combat poverty were launched, including integrated rural development programs and training for self-employment for young people in rural areas.  
-Women are given a 40% reservation under these programs.

### 3 Steps taken by Government during Ninth Five Year Plan:

Without the advancement of female entrepreneurs, economic progress and growth cannot be completely realized. The following programs have been launched by the Indian government to encourage women's entrepreneurship since they are essential to the survival of small-scale industries:

Swift Jayanti Gramme the government launched the SwarozgarYojana and Swaran Jayanti SekhariRozgarYojana to provide women reservations and to support them in starting their own businesses. The government has launched new initiatives called Women Development Corporations to assist female businesses in securing loans and marketing resources. The State Industrial and Development Bank of India has launched the following programs to help women business owners. These plans include:

- i. MahilaUdyam Nidhi
- ii. Micro Cordite Scheme for Women MahilaVikas Nidhi
- iii. Women Entrepreneurial Development Programs
- iv. Marketing Development Fund for Women

### **Consortium of Women entrepreneurs of India**

It offers a platform to help female business owners create fresh, imaginative, and cutting-edge methods of manufacturing, financing, and marketing. NGOs, voluntary organizations, self-help groups, institutions, and individual businesses from rural and urban regions are just a few of the organizations that work together to support women entrepreneurs in their endeavors.

### **Training Programs:**

The following training schemes especially for the self-employment of women are introduced by government:

- a) Support for Training and Employment program of Women.
- b) Development of Women and Children in Rural Areas.
- c) Small Industry Service Institutes
- d) State Financial Corporations
- e) National Small Industries Corporations
- f) District Industrial Centers

### **Mahila Vikas Nidhi:**

SIDBI has developed this fund for the entrepreneurial development of women especially in rural areas. Under Mahila Vikas Nidhi SIDBI grants loan to women are given to start their venture in the field like spinning, weaving, knitting, embroidery products, block printing, handlooms handicrafts, bamboo products etc.

### **Rashtriya Mahila Kosh:**

In, Rashtriya Mahila Kosh was set up to grant micro credit to poor women at reasonable rates of interest with very low transaction costs and simple procedures.

### **Stand up India Scheme:**

The "Stand up India Scheme" is now being introduced to encourage entrepreneurship among women and members of Scheduled Castes and Scheduled Tribes for loans between Rs. Lakhs and Rs. 0 Lakhs. Many of these enterprises are anticipated to gain from the Scheme since it is designed to make it easier for them to the potential for female entrepreneurs in India is enormous, and the country now prioritizes women's growing engagement in economic activity. However, there is still a lack of widespread acceptance and support for female entrepreneurs. The initiatives to advance women must be supported and bolstered. A number of suggestions are included below under the following headings to encourage women to become entrepreneurs by establishing an atmosphere that is supportive of their efforts [2]:

- a) Role of Government
- b) Role of Business Development Service Providers
- c) Role of Supporting Organizations
- d) Access to Finance
- e) Access to Market
- f) Access to Infrastructure and social service
- g) Access to Technology
- h) Other measures to create enabling environment

**Role of Government:****i. Overall, Policy Direction**

Instead, then being fragmented, policies encouraging women's entrepreneurship should take a holistic approach. By giving MSMEs access to physical facilities and services like banking and training, they should promote subsector clusters. The government must make sure that financing is readily available for working capital and fixed assets, with an emphasis on timeliness and sufficiency in a gender-sensitive way. It is possible to develop policies to help women entrepreneurs get income tax exemptions and tax relief. Women should pay less in income taxes.

**ii. Evaluation and Up Gradation of Policies**

Periodically assessing how MSME-related policies affect the performance of women-owned enterprises and how much these firms benefit from these policies is necessary. Good practices need to be widely discussed and spread. The many government programs offered should be heavily used by female entrepreneurs. The national mission for entrepreneurship should get suggestions to make sure it is gender-sensitive. Availability of facilities Establishing amenities for female entrepreneurs in industrial locations is ideal; these amenities have to be easily accessible, close to residential areas, have frequent bus service, provide child care facilities, etc.

**iii. Assistance and Awareness Creation**

Governments at all levels should support women business owners so they may attend local, national, and worldwide trade shows, conferences, and exhibits. Such events need to be scheduled often. Women should be given incentives to become entrepreneurs in the MSME sector. It is important to support the efforts being made by different NGOs and GOs to disseminate information about the policies, plans, and strategies for the advancement of women in business, trade, and industry.

**iv. Procedural Simplification**

For company registration, financial and legal support, subsidies, concessions, relief, etc. from different government and non-governmental agencies, the processes and formalities should be streamlined.

**Role of the State Governments**

In order for women entrepreneurs to keep up with international standards of quality and productivity, state governments should ensure that there is an adequate supply of trained workers, upgrade the skills of those already employed in the MSME sector, and upgrade products and processes in accordance with changing demand patterns. It is important to secure technology transfer from research facilities to business owners. Women business owners would benefit more from commercializing local innovation. "One-stop shops" for government services, plans, and programs for women entrepreneurs should be established by the state government [3].

**Role of BDS Providers**

Soft loans and subsidies have to be made available to women entrepreneurs. Financial institutions need to help organizations led by women more with operating capital. The development of a microcredit system for women-owned businesses at the local level should be thought upon by BDS providers. To address the problems and complaints women entrepreneurs

confront in their enterprises, all-India forums should be organized. Such forums should work to make appropriate choices in support of female entrepreneurs and take a firm stance against any policy or practice that hinders female entrepreneurship and economic development. There is a paucity of knowledge on women's business growth at all levels, including the government, BDS assistance, and entrepreneurial level. In order to increase access for women and lower the obstacles to their entrance into company, efforts will be undertaken to augment the current network.

### **Role of Supporting Organizations**

There is a need for more openness and redoubled efforts to raise knowledge of the support systems and rules already in place. Among businesswomen or women who are ambitious. This might be done, among other things, by publishing different laws and regulations pertaining to women MSMEs in local languages and permitting the sale of such booklets and associated software. To foster a supportive environment, women entrepreneurs should be extensively informed about periodic open forums of different regulatory agencies such as excise, license, registrar, industrial schemes, tax departments and directorate of industries. In order to better address current and growing needs, educational institutions should change their facilities, curricula, and training programs as needed. District-level assistance for female entrepreneurs should be developed with a focus on their industry. After determining the primary restrictions for a given subsector, such a mechanism should be autonomous and operate without interference from the government, with a targeted strategy of intervention. It is advised that NABARD and SIDBI take the initiative to alert the operational managements of the banks to the possibility of creating a lucrative and possibly expanding business niche. The district's head bank office should create a women's cell to provide specialized support to all the branches in order to address the technical weakness at the branch level.

### **Access to Finance**

Banks and other financial organizations provide great financial programs for women business owners, but few women are aware of these programs. Many gender-related issues that women face might be resolved by reevaluating how women business customers are handled.

There is an urgent need for many awareness workshops and camps to promote financial programs accessible to women and to develop a plan to combat prejudice, particularly in smaller centres.

Banks should provide zero-collateral loans, create lending quotas for women business owners, and implement guarantee programs. Priority financing to women should take the role of safe lending. It is important to provide women consortium financing.

Banks should regularly evaluate the loans given to women business owners and support them as they build their projects. Banks that lend to women often should get rewards.

Every girl ought to open a bank account; it ought to be made a requirement since doing so would allow them to apply for loans from banks in the future. Interest rates on loans to women-owned businesses should be reduced. Regulations should be streamlined, and international finance should be made accessible [4].

**Access to Market**

To enable women to invest directly in human capital, production elements, productive assets, and productive markets, further efforts must be made. By encouraging connections between women-owned businesses of different sizes, genuine subcontracting, and, where necessary, franchising or other types of inter-firm collaboration, marketing support should be developed. Women-owned businesses should be supported in their efforts to expand their export markets through concerted efforts, assistance with quality standards, information on international markets, and support for international representation quotas in government procurement with minimum percentages and margins in auctions.

**Access to Infrastructure and social service**

Infrastructure development must be supplemented with programs that support women in pursuing income-generating endeavors, including education, training, and additional advantages like child care facilities. The government should give female businesses priority when allocating industrial lands, sheds, and other essential facilities. It is important to support investments in women's education and infrastructural networks. It should be possible for women to build their own properties with no stamp duty or registration fees. Both the public and commercial sectors should develop "special zones" with infrastructure benefits for women entrepreneurs. They wouldn't have to worry as much about building the infrastructure.

**Access to Technology**

It is imperative that technology centres be established to assist female entrepreneurs. In order to support women-owned businesses, universities and technical institutions should be given a bigger role in the creation and diffusion of technology. Credit should be made accessible to women-owned company units that wish to modernise on a preferential basis in order to update technologies in the growth of women entrepreneurs. The demand for women-owned businesses to use technology is there. Additional steps to create a supportive atmosphere for female entrepreneurs include: the removal of sociocultural obstacles

The attitude of the society towards the place of women in society has to alter. But cultural changes take time and effort; they don't happen suddenly. But without this adjustment, the above-proposed subsidies, loan distribution, and other measures intended to support female entrepreneurs could not result in appreciable change.

beginning of a professional career: Families often assist their sons financially and emotionally when they establish a company or career. But it's also important to let women know that if they use their knowledge and talents, they may be able to find rewarding work. Self-awareness: Women should be aware of their own needs and express them. To engage in entrepreneurial activity, they must be inspired. Encouragement and motivation: Media and social media should portray working women in a more favourable light and highlight role models who motivate women to pursue business [5].

**Training needs Requirement**

The study provides a clear picture of the types of difficulties women entrepreneurs face at the conception, inception and operation stages of enterprise building. These difficulties could be solved if a package of need-based training covering product selection, market and investment

information, training in management and behavioral skills and competencies could be developed and offered. Women intending to start business should be encouraged to participate in business-training courses. The professional education and training should start from school level. Women must be educated and trained to acquire the skills and knowledge in all the functional areas of business management. Vocational training should be provided by Government and private institutions, specifically for women, as an option to college education, especially in non-traditional areas. Vocational training for women needs to be associated with complementary programs combining it with management and entrepreneurial training, which could further stimulate women's interests in creating enterprises. - An awareness program should be conducted on a mass scale among women about the various areas to conduct business. Skill development should be done in women's polytechnics and industrial training institutes. Skills can be put to work in training-cum-production workshops. Women entrepreneurship should be promoted through education by introducing Entrepreneurship as a subject after 8th grade.

### Role of NGOs

Attempts by various NGOs to spread information about policies, plans, and strategies on the development of women in the field of industry, trade and commerce need to be supported and sustained. NGOs should participate actively in women entrepreneurship development programs.

### Role of FLO

- a) **The sense of being helpful to others:** According to studies, women are more likely than males to influence people by being helpful to them. One of the most crucial traits of female entrepreneurs is their confidence in their ability to improve the lives of others. This is also considered to be a key driver of their economic success. Researchers have shown that the desire to serve others and make a difference in other people's lives is the primary motivation for women entrepreneurs, outweighing other factors like a high salary, the ability to demonstrate one's talents, using one's education, etc.
- b) **Honesty:** There is no need to tread on other people in order to succeed. Males are more likely than females to engage in dishonest behavior and unhealthy levels of competition. This element fosters confidence in female entrepreneurs. Everyone enjoys working with trustworthy and sincere individuals.
- c) **Balancing between life and work:** Women who can successfully juggle work and life tend to be more successful. A balanced lifestyle aids in the generation of original thoughts. Some statistics indicate that successful female entrepreneurs are those who also have family obligations.
- d) **Goal-directedness:** The objectives are the aspirations that are supported by precise, useful planning. The objectives must be specified in detail with accuracy and must be doable. Research indicates that women who have a clear and thorough plan often have more success. This is true for both female and male entrepreneurs, but because women have to combine work and home obligations, having road maps is more helpful for them.
- e) **Precision:** Finding market gaps that may be filled by entrepreneurs is a strategic challenge for any organization. The secret to effective manufacturing is identifying the unmet demands. Women are better than males at identifying such demands because of their high levels of accuracy and watchfulness.
- f) **Training:** Through training programs and frequent orientations, women entrepreneurs often pass on their practical expertise to their successors and foster a culture of

knowledge transfer. Their capacity to benefit from other people's experience is likewise influenced by this trait.

- g) **Long-term vision:** One of the distinctive traits of female entrepreneurs is their cautiousness and readiness. The women are more resilient to failure because they approach challenges with a long-term perspective. Although they do not remove difficulties, caution and preparation reduce them. Despite the fact that there are fewer women in business globally than there are males, they succeed more often overall [6].

Women's entrepreneurship is concerned with both the status of women in society and the function of entrepreneurship in that same society. To allow women business owners access to the same possibilities as males, several challenges must be addressed, particularly with regard to promoting their products. Women have the fundamental native knowledge, aptitude, capacity, and resources to start and operate businesses. Today, knowledge of loan accessibility, different financing sources, certification processes, understanding of government welfare programmes, drive, technical aptitude, and help from family government and other organisations are needed. A network of women entrepreneurs has to be formed and strengthened as well. To encourage rural women to start their own businesses, financial institutions must provide formalised loan facilities, and this industry must be listed as a recognised sector by the government. Through funding their enterprises, this assistance will enable the women to enhance their ties to their families and contribute to the nation's economic development. Therefore, it can be said that women business owners may perform better both in urban and rural locations if the government regularly helps them.

EDP is best described as a course designed to help people develop their entrepreneurial abilities. In other words, it entails devising a program geared at fostering and developing in people the entrepreneurial skills required to start and effectively operate a business. Thus, the idea behind this entrepreneurship development curriculum is to provide a person with the necessary skills and information needed to launch and run a business.

The process of honing entrepreneurial talents, skills, and knowledge gaps via specifically created training programs for both people and institutions is referred to as entrepreneurial development. Its primary objective is to enlarge and hone the entrepreneurial base, which will then promote economic growth and the creation of jobs. The focus of entrepreneurship development is on those who are eager to grow their businesses or launch new ones. It focuses on the potential for innovation and development in any given area, particularly in the segment of micro, small, and medium-sized businesses.

The major goals of entrepreneurship are to increase competition and the possibility for corporate development as well as to address the issue of unemployment in the nation. Governments take a lot of steps to promote and advance the notion of entrepreneurship in the minds of people. It is anticipated that by providing some guidance and support to enhance the capacities and skills of the current and aspiring entrepreneurs, they would be successful in operating profitable businesses. Entrepreneurial Development Program refers to an intervention aimed at boosting the motive for entrepreneurship in an individual and upgrading his skill sets and abilities for running a business enterprise in the most efficient manner. Hence EDP can be termed as a motivation builder for an individual by way of creating a positive influence in his resolve to start an enterprise. This is done by way of providing relevant inputs and skill development by experts. There are many types of programs which are conducted to suit the particular needs of the

potential or existing entrepreneurs like making Business Plan, idea generation and vetting, making financial reports, fulfilling legal requirements on tax, environment and other areas etc. All these can be organized separately or under one comprehensive program and are hence part of EDP. As business environment and technology keeps changing, it is essential to organize such programs for capacity building of small entrepreneurs [7].

## **DISCUSSION**

The steps taken by the Indian government reflect a comprehensive approach towards addressing key socio-economic and political challenges in the country. These initiatives have played a significant role in shaping the nation's trajectory and have yielded both positive outcomes and encountered certain challenges along the way. One crucial aspect of the government's actions is its focus on poverty alleviation. Recognizing the importance of inclusive growth, the government has implemented various schemes and programs aimed at reducing poverty and improving the standard of living for marginalized communities. Initiatives such as the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) have provided employment opportunities and social security to millions of individuals in rural areas, contributing to poverty reduction and rural development. Healthcare accessibility has been another priority area for the Indian government. To ensure that quality healthcare reaches every citizen, the government has launched the Ayushman Bharat scheme, which includes the Pradhan Mantri Jan Arogya Yojana (PM-JAY) and the establishment of Health and Wellness Centers. These initiatives aim to provide affordable and comprehensive healthcare services, particularly for the underprivileged sections of society, ultimately improving health outcomes and reducing financial burdens on families. Education reform has also been a key focus for the Indian government. Initiatives like the Sarva Shiksha Abhiyan (SSA) and the Right to Education Act (RTE) have been instrumental in increasing access to quality education, improving school infrastructure, and promoting inclusive education. These measures have helped enhance literacy rates and bridge the education gap, particularly in rural and economically disadvantaged areas. Infrastructure development has received significant attention, with the government undertaking large-scale projects to improve transportation networks, energy infrastructure, and digital connectivity. The flagship programs like Bharatmala, Sagarmala, and the Smart Cities Mission have aimed to boost connectivity, promote sustainable development, and enhance the overall quality of life for citizens across the country. Digital transformation has been a priority for the Indian government, as it seeks to harness the power of technology to drive inclusive growth and governance. Initiatives like Digital India have focused on expanding digital infrastructure, promoting e-governance, and empowering citizens through digital literacy and access to digital services. These steps have accelerated the adoption of digital technologies and have facilitated better access to government services, financial inclusion, and entrepreneurship opportunities. While the steps taken by the Indian government have yielded positive outcomes, challenges remain. Implementation gaps, bureaucratic hurdles, and uneven distribution of resources have posed obstacles to the effective execution of these initiatives. Additionally, the sheer scale and diversity of the country present ongoing challenges in ensuring that the benefits of these measures reach every corner of the nation. The steps taken by the Indian government reflect a concerted effort to address various socio-economic and political challenges. The initiatives and reforms implemented demonstrate a commitment to inclusive growth, social welfare, and sustainable development. While progress has been made, continued efforts are required to overcome challenges and ensure the full realization of the intended outcomes. The government's transformative actions have set a



promising foundation for India's future, but ongoing evaluation, refinement, and collaboration with stakeholders will be crucial to achieving sustained and inclusive development [8], [9].

### CONCLUSION

The steps taken by the Indian government signify a proactive approach towards tackling pressing socio-economic and political challenges. Through initiatives focused on poverty alleviation, healthcare accessibility, education reform, infrastructure development, and digital transformation, the government has demonstrated its commitment to inclusive growth, social welfare, and sustainable development. These efforts have yielded positive outcomes, such as reduced poverty, improved healthcare access, enhanced education opportunities, and better infrastructure. However, challenges remain in terms of implementation, resource distribution, and ensuring equitable outcomes across diverse regions. Continued evaluation, refinement, and collaboration with stakeholders will be crucial to sustaining and maximizing the impact of these measures. The transformative actions undertaken by the Indian government have laid a strong foundation for the nation's progress, but ongoing dedication and inclusive strategies are necessary to realize the full potential of these steps and foster a prosperous future for all citizens.

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## CHAPTER 17

### AN OVERVIEW OF THE SUSTAINABLE ENTREPRENEURSHIP DEVELOPMENT

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#### **ABSTRACT:**

Entrepreneurship development is about assisting the individuals who want to establish and grow their businesses which can provide great value addition. For this we first need to identify the different growth sectors or demographical areas which may have potential of success. Once that has been done, we need to set some criteria for selection of beneficiaries who can reap these opportunities and become entrepreneurs. Entrepreneurship development program requires an organized structure which attempt to choose these focused groups that may have some key prerequisite knowledge for success. Beneficiaries might be individuals or groups. Entrepreneurship development program must support and aid the entrepreneur to recognize opportunities and formulate unique business plans, based on the investigation of the conditions and their own intellectual skills.

#### **KEYWORDS:**

Entrepreneurship, Environmental Sustainability, Innovation, Social Responsibility, Economic Growth.

#### **INTRODUCTION**

In today's rapidly evolving business landscape, the concept of sustainable entrepreneurship development has emerged as a powerful force driving economic growth, environmental stewardship, and social progress. As we confront the challenges posed by climate change, resource scarcity, and social inequality, entrepreneurs play a crucial role in shaping a sustainable future. Sustainable entrepreneurship goes beyond profit-making; it involves integrating sustainable practices into every aspect of business operations, from product design and sourcing to marketing and community engagement[1], [2]. This holistic approach not only benefits the planet and society but also opens up new opportunities for innovation, competitiveness, and long-term success. In this article, we will explore the multifaceted realm of sustainable entrepreneurship development and delve into the strategies and principles that underpin this transformative approach to business [3]. These programs may also help the entrepreneurs to expand or diversify their existing businesses based upon their prerequisite knowledge of the product and capabilities in the particular sector without disturbing the local market. Hence, the EDPs normally aim at:

- a) Creating Entrepreneurship Awareness
- b) Development of the competencies which are most important to identify the market opportunities and proper organization of resources to meet them.
- c) Improvement of business performances for growth and defending competition in particular industry.

EDP is an organized program that inspires prospective entrepreneurs towards their goals. It is used as a motivational tool to encourage and assist individuals thinking of starting an enterprise. It provides them the patience and direction to deal with any type of situation that might arise during the course of managing or launch of a business. EDPs help to improve productivity and investment that may directly lead to improvement in economic development which in turn directly leads to positive impact on the economy. Thus, the main reason behind establishment of these programs is:

- a) To help potential entrepreneurs realize their dream
- b) To increase employment which in turn helps in economic development
- c) To expand micro and small-scale industries
- d) To help in industrialization and economic growth

EDPs can lead to sustainable economic development in many ways:

- a) One of the most crucial objectives of any economic growth strategy is the creation of job opportunities. Since EDPs support entrepreneurship, they help promoters develop long-term employment opportunities since job seekers may become job providers. The growth of entrepreneurship opens up new business opportunities and expands geographic reach. This has a significant positive impact on job chances. As a result, the business owner not only creates a place for himself to live independently and passionately, but also opens up employment chances for the great majority.
- b) EDPs may aid in the achievement of balanced regional development since the support of micro and small businesses results in more evenly distributed and inclusive economic growth than differential growth brought on by large industries. With less resources, micro and tiny units may be formed in underdeveloped and underserved regions. People will be willing to launch firms with government assistance given the correct impetus. By giving locals the skills, they need to launch a business, EDPs may support this. Once a few people launch successful businesses, it may inspire others to do the same, creating a catalytic effect. This might result in a uniform distribution of industry over the whole country, eliminating regional imbalances.
- c) c) Making use of local resources: In the absence of local units, local resources, whether they be human or material, often go unused or are given to distant regions at a price. These resources may be effectively used by the firm at a lower cost if locals take the initiative to start their own businesses. In order to do this, the EDPs may assist individuals in determining the optimum use of resources by directing them via mentoring, seminars, training, and other interventions. As a result, the region will continue to develop sustainably, and as time goes on, emerging skills may allow for the diversification of current activity [4].
- d) d) An increase in per capita income: Entrepreneurs are always looking for ways to add value to their businesses. They have a propensity to seize any chance that presents itself, and by doing so, they link with several individuals via strategic alliances or partnerships.

As a consequence, there are greater prospects for asset creation and employment due to the expanded production capacity. As a consequence, there is an increase in total economic activity and per capita income. EDPs may play a significant role in this by assisting entrepreneurs in turning their ideas into profitable businesses.

- e) EDPs may be quite helpful in training and sensitising business owners to create products and services in the most economical way possible as well as enhancing the value proposition for the client. The level of life of customers may be improved with better goods offered at competitive costs. However, to do this involves making the most use of the available resources, ongoing technological advancement, quality control, and broadened outreach. EDPs may provide business owners the most recent information on technical advancements as well as hands-on training so they can see firsthand the advantages of using these advancements to enhance their products. In the end, this raises the level of life for the clients the entrepreneur serves.
- f) Financial Independence: Entrepreneurs work tirelessly to enhance their present offers and launch new goods and services. They often aim to promote less priced domestic alternatives to high-end foreign goods. In consequence, this aids in currency savings for the nation. Additionally, they work to increase the company's global reach by exporting its goods, which provides them with much-needed foreign currency. India's producers clearly enjoy a cost edge over their rivals in the west. As a consequence, the nation achieves economic independence. Businessmen may increase their export potential by using EDPs' understanding of global trade.
- g) Reducing social tension: EDPs provide individuals the correct direction, knowledge, and training to start their own businesses and put their talents to use in the right way, which helps lessen social tensions brought on by dissatisfaction over a lack of economic prospects.
- h) Cash formation most businesses need cash throughout their start-up or growth phases, which may be obtained via formal and unofficial sources of financing such as loans or investments from the public, private, and institutional sectors. This results in the efficient use of savings since it leads to increased capital production, which is essential for any thriving economy. EDPs may thus be a way to improve capital creation nationally.
- i) Enhanced Overall Development: The establishment of a business always has a multiplier impact that enhances overall development. Investment generates employment, which increases demand owing to better income and encourages the construction of new units across a range of industries. As more investments are made in the public and private sectors to support industries, this leads to overall development. Additionally, the success of one business serves as an example for others, encouraging an increase in the number of entrepreneurs in society [5].

Each EDP has a designed objective around which it is structured to fulfill the needs of the participants. However, the major objectives of Entrepreneurship development programs can be summarized as under:

**a) To find out the potential entrepreneurs**

One of the basic objectives of carrying out entrepreneurship development program is identification of individuals or groups among large population who have the potential to start their own businesses. Thus, various methods like surveying, interviews, and questionnaires are

used to study the individuals. Specific characteristics are focused to find out the potential entrepreneurs and they are guided accordingly during EDPs.

**b) To develop necessary skills among identified entrepreneurs**

The basic step after identifying the potential entrepreneurs is to develop skills among them which will help them in their respective businesses. Such skills may include basic skills like communication skills, business environment information, marketing and production, legal and financial matters, making project reports etc. All of these need to be integrated into the program as per the needs of the participants.

**c) To build up the entrepreneurial spirit**

One of the most crucial things for developing entrepreneurs and their businesses is spirit of entrepreneurship. Such spirit drives them throughout business for making the business grow and successful. Hence, EDP mainly focuses on developing entrepreneurial spirit.

**d) To develop risk taking and decision-making abilities among entrepreneurs** The entrepreneurs are those who take risk and grab the opportunities before others and by such decision-making abilities, create chances for their growth and development. Thus, EDPs also focus on developing risk taking abilities among identified potential entrepreneurs.

**e) To develop industrially backward regions**

EDP is also aimed to develop the regions which are backward in the area of industrial development. Thus by creating business units which are set up by potential entrepreneurs EDP help to develop the region with creation of goods and services. It also creates large amount of employment resulting in overall development.

**f) To make potential entrepreneurs able enough to select the right investment option**

Many people willing to do business are confused over their options or different choices when they wish to enter the business. Many of them possess capital and spirit for business but due to lack of clear information they can't choose the best option for investment into business. Thus EDPs help and guide potential entrepreneurs to select projects which can provide optimum returns.

**g) To build up skills for running business unit efficiently**

There are certain skills needed to run the business in order to have growth and development of the business. These specific skills and necessary knowledge is provided to entrepreneurs so that they can run their business unit successfully and can gain good returns on investment.

**h) To increase overall employment**

As the business unit set up by potential entrepreneurs create jobs and employment. Thus entrepreneurship development programmes mainly emphasizes on creating business units and subsequent employment generation.

- i) To develop entrepreneurial discipline among people

EDP also aims to develop entrepreneurial discipline among people such that it will help them to cope with challenges faced during business deals.

- j) To train entrepreneurs about laws and regulations

Without proper knowledge of laws and acts related to industry, it can create legal problems for entrepreneurs. Thus, to avoid any such possibility, one of the important objectives of an EDP is to equip the potential entrepreneurs with thorough knowledge of laws and regulations.

### **Stages Of EDP**

The EDP starts with selection of a potential area from existing government policy guidelines or socio-economic reports post which techno-economic survey and feasibility study is done. It then is followed by identification of potential and existing entrepreneurs interested in starting new business or expansion or diversification. The next step is Training of beneficiaries and leads to follow up and consultancy services. There are three broad phases of an Entrepreneurship Development Program namely:

- a) Pre –Training phase
- b) Training phase
- c) Follow up phase

#### **Pre-Training Phase**

This is the initial phase and it includes the activities and preparations carried out to launch the training program. This involves identifying and selecting potential entrepreneurs and providing necessary guidance and motivation to them. The selection can be done based upon demographics and socio-cultural data, motivation factors, psychological test results. Thus it consists of the following activities-

- i. Selecting entrepreneurs for training program through a selection committee
- ii. Arranging infrastructure for the program
- iii. Arranging resource person/faculty for the program
- iv. Necessary steps for program inauguration
- v. Publicity and campaigning about the program

#### **Training Phase**

The main objective behind this training program is to develop skill and motivation among the potential entrepreneurs. During the training program both theoretical and technical knowledge is given to the participants. The resource person must ensure that the trainees are benefitted by the program and have developed better entrepreneur skills. The business inputs can be given by professionals, industry executives, consultants and so on. Industrial visits can be arranged so that the trainees will have a good knowledge about the operating conditions. During the training phase the following will be ensured-

- i. Increasing the motivation level of entrepreneurs
- ii. Behavioral pattern must be in a goal-oriented manner
- iii. Making the entrepreneurs more optimistic
- iv. Improving the guts to take more risk

- v. Developing more self confidence
- vi. Developing more sense of responsibility

### **Develop strong sense of perseverance and commitment**

After the end of this phase the participant should be willing to adopt entrepreneurship as the best possible career option and be positively oriented towards venturing into a new activity. This resolve should come out of the confidence gained through knowledge and experience gained during the EDP [6].

### **Follow up phase**

This is the post training phase and deals with review and evaluation of the program conducted. All the training modules should be analyzed and their impact on participants should be gauged. The outcome of the program is compared with the planned outcome and deviation if any has to be carefully recorded. This can be done by obtaining feedback, monitoring of participant activity and taking opinion from experts. It involves review of all the three stages of Pre-program, actual conduction of program and post training.

### **Components of EDP**

- i. **Introducing Entrepreneurship to Participants:** At the outset, the participants are introduced to the world of entrepreneurship, what it means and how it can change the life of an individual and the society. They are also briefed about state of the economy, the present opportunities and the areas where the business prospects are promising. They are also told about the government or institutional support related to entrepreneurship.
- ii. **Motivation Achievement Reinforcement:** The participants are to be motivated through various inspiring anecdotes and logical reasoning so that they are willing to take their first step confidently. As entrepreneurship entails risk taking, it is extremely important to instil among the potential candidates a positive outlook about the decision to be taken by them. Since addressing behavioural and psychological issues is a critical component of any entrepreneurship development program, experts in such fields are hired for the purpose.
- iii. **Institutional and Market Linkage:** One of the most crucial assistance required by the budding entrepreneurs is support related to marketing and distribution linkage as well as information and support from public and financial Institutions. They have to be informed about various platforms available for assistance including government offices, development agencies, banks and financial institutions on one hand and suppliers of raw materials, equipments and distribution on the other. These agencies can be associated with proposed EDPs by way of sponsorship so that the participants can interact with them during the course of the program and clear their doubts.
- iv. **Industry Visit and Market Immersion:** It is very important to expose participants with the real life industry work environment so a day or two may be devoted for a tour of plant locations of small businesses. A first hand witness of the proceedings gives the trainees a good idea about how the system and procedures in running a business as well as interaction with existing successful entrepreneurs. Also, they should be asked to conduct market surveys on product or service of their choice. They should be instructed about methods of conducting scientific surveys as well as assist them in compilation of data and

its interpretation. This should help them in a better understanding of the market requirements and how best they can serve those.

- v. **Managerial Inputs:** As majority of the participants lack formal management education background, it is important to impart some basic managerial skills in specialized functional areas like marketing, finance, distribution, personnel management etc. This can be done by way of including simple case studies, real life examples and role-plays during the course of the EDP [7].
- vi. **Feasibility Studies and Project Reports:** A large amount of the EDP is to be devoted on making detailed project reports containing technical and financial aspects of the business proposal. The participants should be actively involved in this process as this will give them a deep insight into the scale and scope of their proposed business activity. Subject specialists should be called upon for this exercise. Feasibility study should be well explained to the trainees so that they can assess the risk and return aspect of their investment. This is the outcome of any extensive EDP where the participant can come up with a good understanding of all the aspects of the business enterprise he wants to venture into different central and state level agencies, institutes or organizations at state and central level supporting the entrepreneurs for development of entrepreneurship. Entrepreneurs are playing major or potential role in order to enhance economic growth of particular nation. Government of India is giving technical, financial and other mutually beneficial things to the potential/new and to existing entrepreneurs in order to overall economic development of the country. The various agencies like NIESBUD, EDII, TCO as well as KVIC, SIDBI etc are engaged in identifying, developing, promoting and economically supporting the entrepreneurs.

### **Niesbud:**

This institute is located in Noida of Uttar Pradesh. It is a premier organization under the administrative control of Ministry of skill development and entrepreneurship, Government of India. It is entrusted with the task of coordinating the activities of different agencies engaged in the task of entrepreneurship development. Niesbud organizes different entrepreneurial development programs in various fields. The main goal of Niesbud is to identify, promote and creation of new entrepreneurs and provision of financial support and development of existence entrepreneurs.

### **EDII**

This institute is located in Ahmedabad, Gujarat and is a state level institute. It is a pioneer in entrepreneurship development and is engaged in creation and motivation of entrepreneurs in different fields. It also runs various academic courses along with research programs related to Entrepreneurship. In EDPs, the major problem is of implementation rather than the strategy. Some of the challenges limiting EDP success are as under:

### **No Policy at the National Level**

There is no standardized policy framework for conducting EDPs at national level. This leads to gaps in planning as well as implementation of the programs. Problems at the Pre Training Phase Not much due diligence is done in the pre training phase due to which the entire process suffers from serious gaps leading to failure of EDP in meeting objectives.



**Mode of Selection and Over Estimation of Trainees**

The selection of participants for an EDP has to be done very carefully. Very often than not, this is not done properly and capabilities and intentions of individuals are overestimated due to which the entire exercise becomes futile.

**Duration of EDPs**

The duration of EDP has to be in sync with the requirements of the participants as well as the nature of input. Less than required duration can leave participants confused and wanting for more while excessively long duration can wane off their interest.

**Non-Availability of Infrastructural Facilities**

Getting suitable infrastructure like proper classroom, audio-visual facilities, furniture, practical training space etc is a challenge especially in semi-urban and rural locations. In the absence of this, the resource persons cannot deliver to the best of their capabilities.

**Improper Methodology**

Many times, the EDP organizers employ the same kind of standardized methodology for all kinds of participants which is not useful as delivery has to be customized as per needs of the target group.

**Non-Availability of Competent Faculty**

Scarcity of competent faculty for covering specialized functional areas is a big challenge in organizing EDPs at far off locations. Poor Response of Financial Institutions It is important to garner support from financial institutions for creating linkage between them and aspiring entrepreneurs. However, many times they do not show enthusiasm due to which the goal is not achieved.

Entrepreneurship development programs are an important component of the overall strategy of fostering entrepreneurial activity in any society. They act as catalyst in fueling aspirations of potential entrepreneurs as well as inspire people with lack of knowledge and direction to streamline their innovative ideas and urge to start a new business. The EDPs are organized to provide the participants with information, skill development, managerial acumen, financial guidance and motivation to start and successfully run a business enterprise. Various Government institutions and agencies along with private sector organizations organize such EDPs on a regular basis. There are various challenges in successful conduct of these programs but sustained improvements in content, delivery and organization can lead to meaningful impact in promotion of entrepreneurship in the society.

**DISCUSSION**

The concept of sustainable entrepreneurship development holds immense potential for fostering positive change in our society. By embracing sustainable practices, entrepreneurs can contribute to the well-being of the planet and its inhabitants while simultaneously driving economic growth. Sustainable entrepreneurship goes beyond the traditional profit-focused mindset, emphasizing the integration of environmental, social, and ethical considerations into business operations. This approach requires entrepreneurs to carefully consider the lifecycle of their products and services, from sourcing and production to distribution and disposal. By adopting renewable energy

sources, minimizing waste generation, and promoting fair labor practices, sustainable entrepreneurs can reduce their ecological footprint and make a positive impact on society. Furthermore, sustainable entrepreneurship encourages innovation, as entrepreneurs strive to develop products and services that meet the needs of the present without compromising the ability of future generations to meet their own needs. By embracing a circular economy model, entrepreneurs can find creative ways to reduce resource consumption and promote the reuse, recycling, and upcycling of materials. Ultimately, sustainable entrepreneurship development offers a transformative path toward a more equitable, resilient, and sustainable future [8].

## CONCLUSION

In conclusion, the concept of sustainable entrepreneurship development represents a paradigm shift in the world of business. It encompasses a holistic approach that considers the environmental, social, and economic impacts of entrepreneurial activities. By integrating sustainable practices into their operations, entrepreneurs can not only contribute to the preservation of our planet but also create meaningful social change and drive economic growth. Through innovation, responsible resource management, and a commitment to ethical business practices, sustainable entrepreneurs can pave the way for a more sustainable future. It is essential for individuals, organizations, and policymakers to recognize and support the role of sustainable entrepreneurship in addressing the pressing challenges we face. By nurturing and promoting sustainable entrepreneurship, we can collectively work towards creating a more prosperous, inclusive, and environmentally conscious society. The path to sustainable development lies in the hands of these visionary entrepreneurs who seek to create a better world through their ventures.

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## CHAPTER 18

# AN OVERVIEW OF THE GOVERNMENT INSTITUTIONS AND INITIATIVES SUPPORTING ENTREPRENEURSHIP DEVELOPMENT IN INDIA

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### ABSTRACT:

India being one of the most populous countries in the world presently also has a significantly young population for which creating jobs is a key challenge for any government. Even after attaining requisite qualification, the youth has to deal with the problem of unemployment. As per the findings from the National Sample Survey Office in 13, only% of the Young with a qualification of diploma or above are employed. India is now the fastest growing economy and to benefit from this there has to be growth in employment opportunities. Promotion and development of entrepreneurship is considered a major intervention from the government to tackle this issue.

### KEYWORDS:

Development, Entrepreneurship, Government, India, Initiatives.

### INTRODUCTION

In India, the government has established various institutions and initiatives to promote and support entrepreneurship development. These institutions play a crucial role in fostering the growth of entrepreneurship by providing necessary resources, training programs, and financial assistance to aspiring and existing entrepreneurs. The initiatives are aimed at creating an entrepreneur-friendly environment and encouraging the establishment and success of small businesses and startups. Some of the key government institutions involved in supporting entrepreneurship development in India include:

1. **Ministry of Skill Development and Entrepreneurship:** This apex-level government body is responsible for interventions related to promoting entrepreneurship and capacity building. It oversees and coordinates various institutions and initiatives in the entrepreneurship ecosystem.
2. **Directorate General of Training:** Under the Ministry of Skill Development and Entrepreneurship, this institution focuses on providing vocational training and skill development programs to enhance the employability and entrepreneurial capabilities of individuals.
3. **National Skill Development Agency:** It is a key institution working towards bridging the skill gap in India by formulating and implementing skill development policies and programs.

4. **National Skill Development Corporation:** This organization aims to promote skill development by fostering partnerships with various stakeholders, providing funding for skill development initiatives, and facilitating industry-relevant training.
5. **Indian Institute of Entrepreneurship:** It offers training, consultancy, research, and education services to promote entrepreneurship development in the northeastern region of India [1].
6. **National Institute for Entrepreneurship and Small Business Development:** This institute provides training, education, consultancy, and research services to support the growth and development of small businesses and entrepreneurs across various sectors.
7. **Sector Skill Councils:** These sector-specific councils collaborate with industry associations and experts to identify skill gaps, develop skill development programs, and certify individuals in various sectors.

The government has also started the National Skill Development Mission, which aims to leverage public infrastructure to support entrepreneurship and skill development in India. Its goals include institutional training, infrastructure development, convergence of initiatives, overseas employment opportunities, sustainable livelihoods, and sustainable livelihoods. Aspiring and existing company owners in India have access to funding, market data, training programs, and incentives thanks to various government agencies and initiatives, which helps them launch and expand their enterprises effectively. The government has set up a few institutions to help and encourage the growth of entrepreneurship in this effort. These institutions performed a variety of tasks, including fostering young people's skill development, promoting business ventures by introducing new programs that offer assistance in the form of interest incentives and subsidies, credit to newly established ventures, as well as carrying out various research studies and surveys to aid potential entrepreneurs in starting and operating profitable businesses. In this lesson, several of the significant organizations that support entrepreneurship are further introduced. The majority of business owners in the micro and small firm sector are modest investors with constrained resources. They have limited technical resources as well as finance. They also believe it is unsafe to make large investments and are unable to spend a lot on education and information resources. In such a situation, the government assists these prospective and current business owners in gaining access to finance at competitive rates, market and other information, training programs, and different financial incentives to launch a business. To do this, a number of institutions have been created [2].

### **Ministry of Skill Development and Entrepreneurship**

This is the top-level government agency in charge of carrying out interventions to encourage entrepreneurship as well as aiding company owners in developing their capacities and making the whole nation an entrepreneur-friendly place to do business. The Directorate General of Training, National Skill Development Agency, National Skill Development Corporation, Indian Institute of Entrepreneurship, National Institute for Entrepreneurship and Small Business Development, and Sector Skill Councils are just a few of the notable organizations operating under the auspices of this ministry. The National Skill Development Mission, which was launched by the Ministry in 2015, has seven main goals: institutional training, infrastructure, convergence, trainers, overseas employment, sustainable livelihoods, and leveraging public infrastructure.

**i. NEISBUD**

In India, several organizations and institutions take part in programs for entrepreneurship development. The National Institute for Entrepreneurship and Small Business Development was formed by the Ministry of Small-Scale Industries in 1983 to coordinate and supervise their operations. It is a prestigious company that reports to the ministry of entrepreneurship and skill development. It seeks to advance and aid the cause of small companies by a variety of interventions, such as offering training, education, and consulting services to the necessary organizations/sectors.

In March 2014, it received an ISO00:2008 certification. It makes things like management development programs, cluster interventions, and training of trainers possible. This institution coordinates training initiatives that encourage, support, and maintain entrepreneurship throughout the globe. It also creates manuals, instructional films, promotes future entrepreneurs, and organizes entrepreneurship development programs. According to information provided by NIESBUD, it has trained over three lakh candidates in 877 training programs. International participants from more than nations throughout the globe are also included in these programs.

**Major Activities of NIESBUD**

- a) Support for programs that foster entrepreneurship.
- b) Training promoters and trainers.
- c) Concentrating on concerns and difficulties specific to small enterprises.
- d) Development of Institutes for Entrepreneurship Development Programs and their ability.
- e) Create a national or international platform for the sharing of knowledge and expertise.
- f) The emergence of a business culture.
- g) Makes Services Available to Affiliate Members.
- h) Supporter of startup companies and small enterprises.

**Objectives of the Matter:**

- a) To provide standardized tools and processes for choosing, educating, and helping current and aspiring business owners.
- b) To work as a national institution that accelerates the growth of entrepreneurship and has an influence on society.
- c) To assist organizations that are involved in entrepreneurial development programs and training.
- d) To organize and provide entrepreneurs and entrepreneurship trainer's useful material linked to entrepreneurship via ongoing study.
- e) To maintain the skills of business owners, consultants, and trainers via well-crafted training programs.
- f) To provide consulting services to encourage entrepreneurship and the growth of small businesses.
- g) To accumulate and exchange experiences about national and worldwide advancements in entrepreneurship.
- h) To provide forums for the sharing of knowledge and concepts for creating entrepreneurship-related government policies, both domestically and internationally.

### Indian Institute of Entrepreneurship-IIE

The Ministry of Micro and Small Enterprises took the initiative to create the IIE in 1993 in Guwahati, Assam; it currently operates independently under the newly established Ministry of Entrepreneurship. By offering training, research, and consulting services to the MSME sector, it focuses on the growth of entrepreneurship. The following lists its numerous goals and duties:

- a) Creating and running training courses to promote entrepreneurship.
- b) Conducting research in many entrepreneurship-related fields.
- c) Creating multiple pedagogies and tactics for beneficiaries based on their regions and demographics.
- d) Determining the training requirements of the human resources involved in the development and promotion of entrepreneurship in the public and private sectors, and providing them with programs that meet those requirements.
- e) Providing data and suggestions for the recording of self-employment policies and their design.
- f) Encouraging increased usage of technology.
- g) Publishing materials on entrepreneurship development and other business-related topics.
- h) By planning conferences, workshops, and seminars, you may provide different government agencies and aspiring business owners a forum to engage.
- i) Offering current and new enterprises the necessary consulting.
- j) Coordinating and working with other institutions to conduct research, provide training, and conduct outreach in entrepreneurship-related fields.

### State Industrial Development Corporation

They are at the fore front of the industrialization at the state level. They act as catalysts for development of industries in state. They cater both to small units as well as the industry at large by providing all kinds of infrastructural facilities and development. In addition to this they also organize various promotional exercises as well as provide credit facilities to business units.

**SIDBI:** SIDBI came into existence as an independent entity and created by an Act of Parliament in 90. It is one of the prominent Institutions for promoting micro and small enterprises as well as providing credit to them under specially tailored schemes. It also helps in the functioning of the other institutes which are engaged in the similar activities. It has helped to make the best use of the existing network of institutes serving the small sector. It has also collaborated with various international and national development organizations for helping and serving the small scale sector.

SIDBI has its head office at Lucknow and has 5 regional offices, branches throughout the country. It serves the small scale sector providing its assistance through various institutions such as commercial banks. The Bank has also provided indirect assistance like refinancing and bills rediscounting through 8 primary lending institutions which includes banks and SFC. Support and development services focuses upon the enterprise promotion and focus upon the rural industrialization, technology upgradation, information dissemination, environment management and human resource development of small scale industry sector. SIDBI has been named as one of the top development banks by various international publications [3].

Various programs like mahilavikasnidhi, micro credit schemes, rural industries programs and also entrepreneur development programmes are conducted by the bank. It has two funds- one for development and the other for development assistance. National equity fund and farmed funds are now handled by SIDBI. The financial assistance is provided through commercial banks, cooperative banks, RRB, SFC, NSIC, SIDC and SSIDC. It also helps National Small Industrial Corporation providing financial support for hire-purchase, leasing and marketing support to industrial units in the small sector. There are a total of 9 institutions that are eligible for assistance from SIDBI.

- a) Refinancing credit facilities provided by banks or other organizations (SFC/SIDC)
- b) Seed money provided to business owners through equity-type support via national equity funds. Why Share finance and resource assistance for small industries with NSIC and other organizations who care about them.
- c) Discounting and rediscounting of invoices related to the sale of machinery or equipment by small-scale manufacturers on credit that is postponed.
- d) Reducing short-term bills via sales of small-scale industry items. For the improvement of the MSME sector, SIDBI has launched a number of programs.

SIDBI offers the following direct, indirect, and microfinance facilities:

- a) **Direct financing:** offering term loan facilities, working capital cash credit limitations, debtor or receivables financing, forex loans, energy conservation programmes, equity participation, etc.
- b) **Indirect Finance:** Refinancing credit lines supplied by main lenders with nationwide branch networks, such as banks, state financial institutions, etc.
- c) **Microfinance:** Small financing, or credit given to start-up company owners and entrepreneurs.

#### Associates of SIDBI:

- a) **Credit Guarantee Fund Trust for Micro and Small Enterprises**

It was set up by SIDBI in the year 00 in collaboration with Government of India. It guarantees SME loans given by member lending institutions.

- b) **SME Rating Agency Of India Ltd**

SIDBI and other leading banks came up with SMERA in September 05. They provide reliable, transparent and comprehensive ratings and risk profiling.

- c) **Indian SME Asset Reconstruction Company Ltd**

This is India's first MSME which is focused on asset Reconstruction Company. It has been set up for the resolution of non-performing assets which will help in the easier flow of credit from the banks to the MSME.

- d) **Indian SME Technology Services Ltd**

It was set up in November 05 to provide a platform for the MSME's to get opportunities at the international level for getting new technologies.

### e) Delhi Financial Corporation

DFC was set up under the state financial corporation act,51. It aims at providing easy and customized finance to MSE sector thereby promoting entrepreneurship [4].

### Technical Consultancy Organization

Technical Consultancy Organizations are made to provide consultancy services in technical areas for various industry projects. They have been formed by various financial institutions in joint collaboration with banks and state level financial institutions. So far, we have state level TCOs across India and its function is mention below:

- a. Establishing and developing industry clusters
- b. Carrying out various surveys and feasibility studies
- c. Planning and designing infrastructure facilities
- d. Research on management aspects, energy and environmental issues
- e. NPA reduction and recovery in various financial Institutions.
- f. Organizing various vocational training programs.
- g. Preparing detailed project reports for industry
- h. Planning and organizing various Entrepreneurship Development Programs
- i. Conducting market research for various products and services
- j. Assistance in Merchant banking
- k. Providing guidance and consultancy for export houses

The IIC is the place to go for all information pertaining to investment and industrial policy and process, promotion and support, and incentives as they are sometimes established by the Government. All potential investors who request the information do so at no cost. With the headquarters being in New Delhi, it also maintains branch offices in a number of other locations, including Abu Dhabi, Singapore, London, New York, Frankfurt, and Tokyo.

### Functions:

- a. To provide prospective enterprises in India access to a single point of contact for all foreign investment proposals, facilitating the simple processing of their project applications.
- b. To notify the Indian community of non-residents of all pertinent information, policies, promotions, incentives, etc., to encourage investment in the nation.
- c. To supply the NRI community with the necessary statistics data and research inputs so they may make informed investment decisions.
- d. To help NRIs get the necessary business clearances from the different government ministries.
- e. To assist Indian people who are interested in forming joint ventures to start enterprises overseas.
- f. To aid in the development and expansion of India's small-scale industry.
- g. To develop into a forum for the discussion and sharing of entrepreneurship-related ideas, policies, and problems.
- h. To provide the infrastructure necessary for current and aspiring business owners from all around the nation to get training [5].



### **District Industries Centre**

The district businesses Centre was founded in May 1978 with the goal of promoting small-scale and cottage businesses to the district headquarters outside of major cities and state capitals. When DIC first began, its goal was to help the nation's small, cottage businesses grow.

The DIC program was introduced on May 1st, 1978 to provide a district-level administrative structure for addressing the issue of industry in the district. Entrepreneurs had to go to several agencies and authorities up to that point in order to accomplish their goals. The entrepreneurs may use all the support services and resources at the sub-district and district levels under the auspices of the District Industries Centre.

### **Role of the District Industries Centers:**

The main functions of the District Industries Centre are as under:

- a. To assure raw material requirements of various units, their prices and sources, to arrange huge buying of raw materials and their distribution to the entrepreneurs.
- b. To organize capacity building programs for small entrepreneurs and liaison for the same with other Institutions.
- c. To undertake research and development in selected product lines and quality control methods.
- d. To liaison with lead banks and other financial institutions, to elicit applications, monitor flow of industrial credit in the districts and also to the entrepreneurs.
- e. To organize marketing outlets, deal with procurement agencies of government, transmit market intelligence to the entrepreneurs, conduct market development programs, arrange market surveys, etc.
- f. To provide all support and services needed by small entrepreneurs that include identification of a suitable scheme, preparation of feasibility report, machinery and equipment arrangements, supply of raw materials, loan facilities and provide assistance in marketing and forward linkage.

The Small Industries Development Organization or SIDO came into existence in 1954 with an aim to foster the growth of SME sector in India and is presently functioning under Development Commissioner for SMEs under the Central Government. It has now been replaced by MSME-DO or Micro, Small and Medium Enterprises Development Organization.

### **Entrepreneurship Development Institute**

As the nation's premier institute for entrepreneurship promotion, EDI was founded in 1983. It is located in Ahmedabad and was sponsored by IFCI, IDBI, ICICI, and SBI with assistance from the Gujarati government. Dr. V. G. Patel, recipient of the Padma Shri award, founded this nonprofit organization. Its goal is to promote the growth of entrepreneurship and assist prospective business owners via education, research, and training. Additionally, the conversion of current SMEs into growth-oriented businesses.

The foundation of the EDI concept is the conviction that entrepreneurship is a key instrument for fostering the development of society by supplying it with forward-thinking young businesspeople who will provide innovations and ideas that will maximize the use of available resources. In strategically designed centers, EDI offers a number of initiatives to create

awareness, develop institutional ties and networking, establish connections, and enhance institutional links. It also offers training in specialized disciplines like [6]:

- a. Entrepreneurship Education & Research
- b. Micro Enterprises, Micro Finance and Sustainable Livelihood
- c. SMEs & Business Development Services
- d. Social Entrepreneurship & Corporate Social Responsibility
- e. Cluster Competitiveness, Growth & Technology
- f. Women Entrepreneurship & Gender Studies

EDI has set up state level entrepreneurship development institutes and centers which include:

- a. Entrepreneurship education and research
- b. Micro enterprises, micro finance and sustainable livelihood
- c. SME's and business development services
- d. Centre for cluster completeness, growth and technology
- e. Social, entrepreneurship and corporate social responsibility
- f. Women entrepreneurship and gender studies

By pooling resources, EDI has been able to get backing from organizations including the UNIDO, ILO, European Union, World Bank, and Commonwealth Secretariat. The Economic and Social Commission for Asia and the Pacific network of centers of excellence has chosen EDI for HRD Research and Training. The Institute has been given the task of establishing entrepreneurial development centers in Myanmar, Vietnam, Laos, and Cambodia by the Indian Ministry of External Affairs. The institution is also establishing business development centers in Kazakhstan and Uzbekistan in addition to those projects. Two postgraduate degrees, in development studies and business entrepreneurship, are available from the Institute. The Indian government established this high-level advisory group to provide guidance on all significant problems affecting micro and small businesses in India. Every two years, it is reconstructed. It was initially established in 1954. KVIC is a governmental organization that was created by an Act of the Indian Parliament in 1957 and has been working to grow microbusinesses all throughout the nation. Growth of rural and khadi businesses enhancing villagers' quality of life and assisting them in resolving numerous social and poverty-related issues. Developing entrepreneurial options to aid in the independence of rural communities. Giving the rural people the chance to engage in many creative and productive activities It often works with other government organizations that deal with rural development to promote, support, and organize programs and initiatives for the growth of khadi and village industries [7].

## DISCUSSION

The government institutions and initiatives supporting entrepreneurship development in India play a vital role in fostering a conducive environment for aspiring entrepreneurs and small business owners. These institutions, established under the Ministry of Skill Development and Entrepreneurship, are instrumental in providing the necessary resources, training programs, and financial assistance to nurture the growth of entrepreneurship in the country. One of the key institutions is the Ministry of Skill Development and Entrepreneurship itself, which serves as the apex body responsible for promoting entrepreneurship and creating an entrepreneur-friendly business environment. It oversees and coordinates the efforts of various institutions and initiatives to ensure a comprehensive approach to entrepreneurship development. The Directorate

General of Training focuses on equipping individuals with vocational skills and enhancing their entrepreneurial capabilities. By offering training programs tailored to specific industries and sectors, this institution addresses the skill gaps in the workforce, thereby empowering individuals to pursue entrepreneurial ventures. The National Skill Development Agency and the National Skill Development Corporation are crucial institutions that work toward bridging the skill gap in India. They formulate policies and programs, provide funding, and establish partnerships with stakeholders to create a skilled workforce that supports entrepreneurship and innovation across diverse sectors. To cater to the unique needs of the northeastern region, the Indian Institute of Entrepreneurship provides training, consultancy, and research services, empowering individuals to start businesses and contribute to the economic development of the region. The National Institute for Entrepreneurship and Small Business Development plays a significant role in promoting small businesses and entrepreneurs by offering training, education, and consultancy services. By supporting the growth and development of small-scale enterprises, this institution contributes to job creation, innovation, and economic prosperity. Sector Skill Councils collaborate with industry associations and experts to identify skill gaps in specific sectors. Through their efforts, they develop targeted skill development programs and provide certification to individuals, ensuring the availability of skilled manpower for various industries. Furthermore, the government's National Skill Development Mission demonstrates its commitment to entrepreneurship and skill development. By focusing on objectives such as institutional training, infrastructure development, convergence of initiatives, overseas employment opportunities, sustainable livelihoods, and leveraging public infrastructure, the mission aims to create an ecosystem that empowers entrepreneurs and fosters innovation. Through these government institutions and initiatives, aspiring and established entrepreneurs in India gain access to capital, market information, training programs, and incentives. By providing the necessary support and resources, the government promotes the spirit of entrepreneurship, encourages innovation, and contributes to the overall economic growth of the country [8].

## CONCLUSION

In conclusion, the government institutions and initiatives supporting entrepreneurship development in India play a pivotal role in creating an enabling ecosystem for entrepreneurs. These institutions, operating under the Ministry of Skill Development and Entrepreneurship, provide essential resources, training programs, and financial assistance to aspiring and existing entrepreneurs. By promoting skill development, facilitating access to capital, and offering guidance and support, these initiatives foster an environment where entrepreneurship can thrive. Through the Ministry of Skill Development and Entrepreneurship, the government demonstrates its commitment to entrepreneurship by overseeing and coordinating the efforts of various institutions. The Directorate General of Training equips individuals with vocational skills and enhances their entrepreneurial capabilities, addressing the skill gap in the workforce. The National Skill Development Agency and the National Skill Development Corporation bridge the gap between industry requirements and skill availability by formulating policies, providing funding, and establishing partnerships. Institutions such as the Indian Institute of Entrepreneurship and the National Institute for Entrepreneurship and Small Business Development cater to the specific needs of entrepreneurs, providing them with training, education, and consultancy services. Sector Skill Councils ensure that industry-specific skills are developed, ensuring a skilled workforce for diverse sectors. The government's National Skill Development Mission demonstrates its commitment to creating a favorable environment for

entrepreneurship through objectives like infrastructure development, convergence of initiatives, and leveraging public infrastructure. These initiatives provide aspiring and established entrepreneurs with the necessary tools and support to start and grow their businesses successfully. In conclusion, the government institutions and initiatives supporting entrepreneurship development in India contribute significantly to the growth of entrepreneurship, job creation, and economic prosperity. By nurturing a culture of innovation, providing training opportunities, and facilitating access to resources, these initiatives empower entrepreneurs and drive economic development in the country.

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## CHAPTER 19

### AN ELABORATION OF THE MICRO, SMALL AND MEDIUM INDUSTRIES DEVELOPMENT ORGANIZATION

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#### ABSTRACT:

The Micro, Small and Medium Enterprises Development Organization, also known as MSME-DO or the Micro, Small and Medium Enterprises Development Organization, was established as an apex body to provide consulting services to the Ministry of Micro, Small and Medium Enterprises through a four-dimensional function of formulation, coordination, implementation, and monitoring of all the programs, policies, and interventions to be undertaken for the development of the MSME sector. The SIDO was previously known as MSME-DO. With thirty MSME Development Institutes, twenty-eight branch offices, four testing centers, and several smaller independent Institutes, it has a large network. The MSME Development Commissioner's Office is another name for it. Its tasks include writing numerous project reports on technical and management issues as well as managing audits of pollution and energy use. In the crucial areas of infrastructure, technology, and money, it offers help and support.

#### KEYWORDS:

Development, Industries, Medium, Micro, Organization.

#### INTRODUCTION

The Micro, Small and Medium Industries Development Organization is an institution dedicated to the growth and advancement of businesses operating in the micro, small, and medium-sized industries. Recognizing the vital role played by these sectors in economic development, the organization focuses on providing support, resources, and guidance to foster their sustainable growth. By offering a range of services tailored to the unique needs of these industries, the organization strives to enhance their competitiveness, promote entrepreneurship, and contribute to job creation and overall economic prosperity. With its emphasis on empowering and nurturing enterprises at different stages of development, the Micro, Small and Medium Industries Development Organization plays a crucial role in driving innovation, fostering economic diversification, and building resilient and inclusive economies [1].

The NSIC was founded in 1955 and is a different national institution working to promote and grow the SME industry in the nation. It has also received ISO01 accreditation. NSIC offers a variety of carefully designed programs to help small businesses from its network of over 0 locations. Additionally, via its technical service and extension centers, NSIC offers SSEs a range of technical support services. Its goals and duties may be summed up as follows: a. It promotes modernization and technology advancement as well as quality awareness.

- a. Improving connections between big and medium-sized businesses
- b. Increasing the export of SSEs' goods
- c. Advice on the use of new technologies
- d. Assistance with testing facilities at recognized laboratories for diverse materials.
- e. Uses CAD to assist in product design.
- f. It offers answers to problems with the environment and energy.
- g. Creates and delivers a range of stakeholder training programmes.
- h. Assistance with global trade to potential clients
- i. Participates in developing the small business policy framework.
- j. Engages in a variety of initiatives to foster entrepreneurship.

### **Small Industries Service Institution**

The government has created Small Industries Service Institutes in each state to help small prospective investors from all 50 states. They are employed by the Ministry of Micro, Small, and Medium Enterprises' Development Commissioner's office. These institutions, along with several smaller branches, are located in the state capitals and other significant locations. They take on numerous entrepreneurship-related technical, managerial, and other administrative tasks.

### **Functions of SISI**

To provide all current and future investors the best guidance possible with regard to investing in fixed assets, adopting technical standards, enhancing performance, etc.

- i. To carry out all nationwide training initiatives for entrepreneurial growth.
- ii. To provide Central and State governments competent advice on creating policies for the small business sector.
- iii. To provide new and small company units with testing facilities for goods as well as raw materials.
- iv. To gather and share data pertaining to market research for goods and services.
- v. To advise banking institutions to impose lending restrictions on small firms.
- vi. To evaluate and choose small business vendors for government procurement programmers.
- vii. To carry out numerous technological, financial, and economic analyses.
- viii. To support and encourage the growth of related industries.
- ix. To provide interactive platforms for business owners and development organizations via seminars, workshops, and gatherings.

The SISIs are specially engaged in organizing various Entrepreneurship Development programs related to environmental issues, quality control, innovation and technology penetration, management skill development etc. These programs are aimed at unemployed youth so that they can look at alternate options of livelihood. Lectures and discussion forums are organized to sensitize participants on issues related to financial management, various schemes launched by banks as well as state and central government, product quality and testing, packaging and promotion, distribution channel, establishing market linkages and exposure to global exports. Various entrepreneurs as well as domain experts participate as resource persons in such programs which help prospective entrepreneurs in fine tuning their project reports and realize their dream of setting up their own enterprise [2].

### **National Bank for Agriculture and Rural Development**

One of India's largest financial organizations devoted to rural and agricultural development is NABARD. It was founded in 1982 with a starting capital of Rs. 100 crores, and as of the conclusion of the 2016 fiscal year, it had increased to Rs. 5,000 crores. The Government of India and the Reserve Bank of India are the two shareholders of NABARD, each holding 60% of the company's stock. NABARD performs its duties by taking on the following responsibilities:

- i. It is the leading financial institution for aiding businesses involved in financing different rural development initiatives.
- ii. It necessitates actions such as interventions to enhance credit delivery, staff capacity development, interacting with multiple credit institutions, etc.
- iii. It maintains contact with the many organizations participating in rural development efforts and serves as a coordinator between them. It also takes part in the formulation of policies related to numerous facets of rural and agricultural development.
- iv. It serves as a refinancing institution for different lenders that are involved in funding rural development.
- v. It is actively engaged in the ongoing monitoring and evaluation of all the projects that have been refinanced for member institutions.
- vi. It also plans a variety of training and development courses for the workers and institutions participating in rural development initiatives.

Nearly all banks provide their own MSME products in addition to financing via government-sponsored programs to support the expansion of the MSME sector. Through these institutions, refinance programs like MUDRA are being conducted in the public and private sectors. They serve as the first point of contact for any aspiring business owner searching for low-cost loan finance. Banks provide MSME credit under the CGTMSE umbrella since most cash-strapped people with entrepreneurial mindsets find it difficult to secure bank credit owing to a lack of collateral security and giving third party guarantee. This loan facility is offered by banks that are CGTMSE-eligible institutions up to a maximum of Rs. 200 lakhs without collateral or third-party guarantees. Additionally, commercial banks provide relatively low interest rate loans to business owners since these loans are categorized as priority sector lending, which the RBI requires to account for up to % of all lending. In this approach, banks are among the most essential structural supports for entrepreneurship [3].

### **Incubators at Educational Institutions**

As a significant component of their curricula, entrepreneurship is emphasized in many professional educational institutions. In order to spread the concept of entrepreneurship among students, several student E-cells are developed, where students plan activities like workshops, investor-student entrepreneur interactive sessions, idea generating competitions, etc. A number of universities have now created incubators on their campuses, most notably the Indian Institutes of Technology and Indian Institutes of Management. In an incubator, aspiring business owners may get office space, coaching, trial production, legal, and financial knowledge all in one location. Since they originally had limited financial resources to use these facilities, incubators might provide them this kind of hand-holding help in exchange for a fee or a portion of the ownership. The Centre for Innovation, Incubation and Entrepreneurship at IIM Ahmedabad was established in 2001 and is now a preeminent educational institution incubator. IIM Bangalore,

IIM Kolkata, and IIM Lucknow have all begun their incubator programs with assistance from academics, business, and students.

One of the most successful interventions to increase job possibilities and overall economic development has been thought to be entrepreneurship. Additionally, the country's biggest industrial category in terms of job creation is the MSME sector. In light of the aforementioned, the government has created a number of institutions that support and promote the growth of entrepreneurship. NEISBUD, the Indian Institute of Entrepreneurship, the State Industrial Development Corporation, the State Industrial Development Bank of India (SIDBI), the Technical Consultancy Organization, the Indian Investment Centre, the Small Industries Development Organization, the Entrepreneurship Development Institute, the Small Scale Industries Board, the Khadi and Village Industries Commission, the Micro, Small and Medium Industries Development Organization, the National Small Industries Commission, and the Small Industries Servicing In order to support industrial growth by encouraging entrepreneurship among aspirant citizens, they are actively involved in designing policies for industrial units, launching programs for the establishment of small business units, organizing entrepreneurship development programs, and carrying out numerous studies and research projects.

Our lives are being led by technology breakthroughs or disruptions in this dynamic society. For individuals who think they can provide answers to different issues or better ways to do things, the sheer nature of the business world presents obstacles and opportunity. These individuals are known as entrepreneurs, and they are crucial to the development of any civilization. Governments and other public and private organizations support the notion of entrepreneurship and recognize its value. The Schumpeterian perspective holds that one of the most important aspects of a nation's or region's economic growth is the entrepreneurial process. Entrepreneurship is important because, above all, it is a human trait. Today's large corporations are the product of a business concept that was carried out by a single person or group of people. Their enthusiasm and vision inspired the creation of significant businesses that have greatly benefited society as a whole. In any economy, entrepreneurial spirit and purpose are encouraged in this setting. The purpose of this unit is to emphasize the significance of entrepreneurship in a growing nation like India and how it may assist to balance development in rural, semi-urban, underdeveloped, and urban regions.

### **Significance Of Entrepreneurship in India**

Because it results in a more palatable and long-term strategy for ensuring economic development, entrepreneurship, particularly in the micro and small sector, is seen as an essential instrument for boosting economic growth in a nation. money is produced as a result of the creation of jobs, and this money then encourages investment in new businesses and industries. Although the advantages of entrepreneurship are relatively clear, it is challenging to identify a successful strategy for promoting it. A comprehensive, cogent strategy is often pursued, under which the government works to build infrastructure, streamline procedures, simplify the flow of financing, plan awareness campaigns, and provide different incentives for those who want to start businesses [4].

With investments totaling \$5 billion in 2015 and three to four businesses launching each day, India is now the third-largest startup creator in the world, according to the NASSCOM Ecosystem Startup Report<sup>15</sup>. According to the survey, there were 0 active investors in India's startup ecosystem in 2014 and 0 in 2015 a more than two-fold growth in only one year. Such



development would undoubtedly lead to the creation of many employment opportunities as well as attract international investors as a viable location for investment, all of which contribute to the growth of the national economy and its foreign currency.

The MSME sector is very important to India's economy since it creates a lot of jobs and allows less trained employees the chance to start their own businesses. As a consequence of different incentives offered to create companies in these locations, MSMEs have led to industrialization in far-off and distant places. This has facilitated more regulated migration as well as a fairer distribution of the nation's income and resources. According to government estimates, this industry makes up just 8% of the GDP but accounts for a sizeable % of industrial production and % of India's exports. It generates the most jobs after agriculture.

### **Economic Growth by Entrepreneurship**

An entrepreneur is regarded as a catalyst for economic development since his actions trigger off a variety of economic cycle activities. Entrepreneurs are always ready to seek out fresh ideas and put them into action, nurturing the nation's economic growth. The Indian government actively encourages entrepreneurship since it significantly advances India's socioeconomic growth. MSMEs now number over million units. Million individuals are provided with job thanks to them. The job of an entrepreneur extends beyond only industrial progress; rather, this community serves as the catalyst for a society's total development. The following are some of the important roles that an entrepreneur has played in the growth of an economy:

#### **i. Entrepreneur aid capital inception**

When starting a new firm, entrepreneurs need both private and governmental funds to get things off the ground. In this manner, they provide those who have saved money a place to invest it. The return on this investment generates money for the investor and the entrepreneur, which may fuel additional economic expansion. Therefore, the business owner might be referred to as a capital initiator.

#### **ii. Devise employment opportunities**

One of the most severe issues that must be addressed in every economy is unemployment. By virtue of their firms, entrepreneurs support a thriving economy and society as a whole. Additionally, as time goes on, additional job chances are produced as a result of company extension and growth. Since the government or big businesses cannot create jobs on their own, entrepreneurs play a significant role in this process.

#### **iii. Aid balanced regional development**

Entrepreneurs seek to invest in areas that have seen industrial growth in order to benefit from government incentives and to keep the initial cost as low as possible. This also affects the construction of other types of infrastructure, such as roads, hospitals, and schools. Therefore, the naturally backward districts or regions set off on their road to improvement.

#### **iv. Reduces centralization of economic power**

Large-scale employment and regional growth are provided by big enterprises, but they also provide wealth and economic power for a small number of people, which may result in monopolies and an unequal society. Therefore, it is crucial that small business owners take part

in wealth generation and ownership as well in order to ensure that economic power is distributed fairly [5].

**v. Wealth creation and distribution**

More possibilities and resulting riches are produced through entrepreneurial endeavors, which boosts the economy and encourages a fairer distribution of wealth. In an economy, wealth often moves back and forth from home to business. Therefore, business owners contribute to a fair distribution of wealth.

**vi. Strengthen gross domestic product and per capita income**

Entrepreneurs always seek for new opportunities and strive to think beyond the box. They are captivated by their enthusiasm and attempt to put their mental pool into practice. Through this process, they investigate and take advantage of various opportunities, as well as bring about the technological and procedural modifications that would enhance the quality and output of various items. They contribute to wealth maximization and a rise in per capita income by doing this.

**vii. Refinement in the living standard**

Poverty is always eradicated and people's living conditions increase as a result of economic expansion. This is because innovation in the existing available goods and services creates jobs and improves people's quality of life. Entrepreneurs are always competing with one another and feeling pressure to enhance their goods while charging as little as possible, which eventually benefits the client.

**viii. Promotes export trade**

Entrepreneurs assist promote the nation's export and so bring in foreign cash since they are engaged in the production of products and services. Additionally, they generate commodities that may be used in place of imports. Because of this, they are able to capitalize on both the domestic and international markets.

**ix. Makes country Self – Sufficient**

While doing business with various parties in various locations across the globe, they come up with some inventive ideas to provide domestic alternatives for the commodities that must be imported from other locations, reducing reliance on other countries.

**x. Instigate backward and forward linkages**

Entrepreneurs want to maximize profits via innovation and act as change agents. They introduce the needed technical advancements, enabling them to successfully and efficiently accomplish their objective. They strive to establish backward and forward connections throughout this process, therefore spawning more new businesses. Entrepreneurs have a role in the economy's general growth because they are change agents who improve market conditions and foster healthy competition, which in turn produces better products and services. They inspire millions of individuals and have an inventive character. Entrepreneurs like Bill Gates, Steve Jobs, and Larry Page have radically altered the course of history. The globe has become a global village as a result of globalization, liberalization, and privatization. Any modification made by business owners results in socioeconomic change, which aids in the general growth of the nation.

The world's economy now seeing the fastest growth is India's. Since the liberalization period started in 1991, the Indian government has undertaken a number of measures to encourage entrepreneurship in the nation. This includes actions like doing rid of the licensing system, cutting down on red tape, improving decision-making transparency, decreasing rules, and establishing numerous initiatives to support entrepreneurship. The MSME market in India has the potential to boost overall economic development. The industry still has to operate at its peak performance in order to take advantage of all domestic and international prospects. A few of the obstacles and bottlenecks preventing this expansion include a lack of trained labor, a lag in technological advancement, a reliance on antiquated practices, a bad marketing strategy, a lack of R&D, and difficulties in obtaining funds. The government has taken certain actions and launched projects to address major issues such legal restrictions, funding, branding and advertising, packaging, transportation, and workforce skilling. Here are a few of them [6]:

### **The MSME Act**

The government changed the definition of MSMEs to streamline development for all types of enterprises by approving the amendment of the MSME Act,06, with the introduction of the Micro, Small and Medium Enterprises Development Bill15. Some of the important provisions of the bill include:

- 1) Enhancement in existing limit for investment in plant and machinery assets through a change in price index and cost of inputs so that they compete with the global value chains.
- 2) Inclusion of all tiny or micro enterprises in rural and semi-urban areas other than small enterprises for inclusive growth.
- 3) Central government to revise existing capital limit for investment in the venture through notification according to given inflation and market condition.

### **Loans and Finance for Technical Up-gradation**

Banks' ability to obtain loans and money is a major roadblock in the way of MSMEs seeking to finance their growth and upgrade projects. For this goal, the government has established a financial reservoir, and budgetary allocation has been made. The Credit Linked Capital Subsidy Scheme, which intends to provide upfront capital subsidies to MSMEs for upgrading their plant and equipment, is another initiative by the government towards technical advancement. A refinancing and regulatory organization called MUDRA Bank has been established to make it simple for the MSME sector to receive capital.

### **Integrated cluster development programs**

This has been done in order to solve concerns with training, capital, technology, and quality. In accordance with this plan, the government will contribute to the cost of initiatives including diagnostic research, soft and physical treatments, and infrastructure renovation. The extent of assistance would depend on the job being done, the area's demographics, etc. The grouping of units also aids in giving banks and credit agencies a platform to provide effective services, save costs, and simplify access to higher-level development processes [7].

### **Providing Marketing Assistance**

- 1) For building networking and contacts for recognition and building brand value as NSIC helps in promoting.
- 2) The government has made it mandatory for government organizations to procure minimum% of products and services from MSMEs.
- 3) Relaxation in taxation and turnover.

### **Exit of Sick and Loss-Making Units**

The insolvency and bankruptcy bill<sup>15</sup> also passed for the faster exit for sick MSMEs within the period of days.

### **Startup India**

Startup means an entity, incorporated or registered in India:

- a. Not prior to five years,
- b. With annual turnover not exceeding INR crore in any preceding financial year, and
- c. Working towards innovation, development, deployment or commercialization of new products, processes or services driven by technology or intellectual property.

Following registration, these firms would be eligible for a number of advantages, including reduced patent costs, quick company closure, self-certification, no government inspections, and tax breaks. The aforementioned programs will promote entrepreneurial development and speed up growth in all economic sectors. These actions, when coupled with the sizeable MSME pool, are projected to significantly strengthen the economy.

### **Entrepreneurship and Economic Development**

Corporations contribute to a nation's economic development by investing in new facilities that provide many employment possibilities. According to researchers, prior economic growth solely paid attention to giant organizations, ignoring the discoveries produced by small enterprises. It is widely understood, however, that entrepreneurship plays a significant influence in the overall economy. A country's economic growth is dependent on successful entrepreneurship combined with the power of well-established enterprises. The advantages of this system vary with the level of national affluence as shown by GDP per capita. Self-employment opens up new markets and creates jobs at low national income levels. The combination of new technology enables big, established enterprises to guarantee the rising demand of emerging markets and their role in the economy as GDP per capita income rises.

### **Role Of Entrepreneurship in Transition**

The path of the entrepreneur must correspond to different phases of the company, commonly known as its life cycle. Typically, they may be divided into four stages: startup, expansion, consolidation, and revival/decline. The entrepreneur's vision, strategy, and ability to make decisions must change as they go through the stages. The difficulties persist as the market and the size of the firm expand. Following is a description of the many transitional phases and the entrepreneurial decision-making within each stage:

### **Startup Stage**

This is the launch stage of the business and has the following characteristics:

- a) The new product or service has a sluggish rate of income growth. The expenses considerably surpass the income.
- b) The sales are uneven and not stabilized. Since the distribution network is young, logistics present difficulties. Each component may be unclear, and the market often behaves differently from what an entrepreneur would want.
- c) Depending on the comments obtained, significant changes may need to be made to the product, the distribution system, the marketing plan, etc.
- d) At this point, there are also limited financial resources, and investors provide minimal assistance for unforeseen needs [8].

The entrepreneur must maintain his composure, rely on mentoring assistance, and avoid making snap judgements. The majority of firms fail at this point because either some of their pre-launch assumptions are incorrect or the consumer response falls short of expectations.

### **Expansion Stage**

The model may be considered to have received market acceptability if the company has successfully completed the launch test. This might be seen as the entrepreneur's success, and he now has to start the growth stage. Again, there are many obstacles in this level, so each move must be carefully considered. At this point, the following things occur:

- a) Capacity expansion to accommodate a greater client base that results in substantial capital investment.
- b) Breaking new contracts for sales and distribution in order to penetrate untapped areas.
- c) Creating a variety of goods or new iterations of an existing product while continuously innovating and listening to consumer input.
- d) An growth in management and reporting levels, as well as an expansion of human resources.
- e) Departmentalization and decentralization for better activity management and control.
- f) Growing investment and ownership through avenues including venture capital, public offerings, etc.

This phase of transition is crucial since one mistake or unproductive action might result in a case of an opportunity squandered. Additionally, the entrepreneur loses ownership interest, and the organization hires additional specialists. This necessitates effective and careful management of the company.

### **Consolidation Stage**

Any industry eventually reaches a point when there are several competitors and the profit margins start to narrow. The firm is now in a phase termed Consolidation, during which smaller players join with the larger ones. These aspects of this stage are present: At this point, the business owner must make a firm decision on whether to allow larger, more established players to take over his company or try to increase size by bringing in smaller companies. It's also a time when whatever extra money the company has made over the years may be put into other, more

lucrative endeavors before this stage, the firm reaches a point of stagnation, thus it's essential to restart growth with some clever plan; else, the decline is unavoidable [9].

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## CHAPTER 20

# AN OVERVIEW OF THE ENTREPRENEURSHIP DEVELOPMENT EMPOWERING ENTREPRENEURS, AND DRIVING ECONOMIC GROWTH

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### ABSTRACT:

The vital role of entrepreneurship development in empowering aspiring entrepreneurs and fueling economic growth. Recognizing entrepreneurship as a catalyst for innovation, job creation, and wealth generation, this study delves into the various strategies and initiatives that enable entrepreneurs to thrive in today's dynamic business environment. By examining the key factors that contribute to entrepreneurial success, including access to finance, mentorship programs, and supportive ecosystems, this research sheds light on the transformative power of entrepreneurship in driving economic growth and fostering socio-economic development. The findings presented herein underscore the importance of fostering an entrepreneurial mindset, creating an enabling environment, and implementing targeted policies to harness the full potential of entrepreneurship as a driver of sustainable economic prosperity.

### KEYWORDS:

Economic Growth, Empowering, Entrepreneurs, Entrepreneurship, Environment, Job creation, Wealth Generation.

### INTRODUCTION

Entrepreneurship has long been recognized as a powerful force driving economic growth and development worldwide. As the global economy becomes increasingly dynamic and interconnected, the role of entrepreneurs in fostering innovation, creating jobs, and generating wealth has gained even greater significance. This paper explores the concept of entrepreneurship development as a means of empowering aspiring entrepreneurs and propelling economic growth. By examining the various strategies, initiatives, and supportive ecosystems that enable entrepreneurs to thrive, this study aims to shed light on the transformative power of entrepreneurship in today's rapidly evolving business landscape. Furthermore, it seeks to underscore the importance of fostering an entrepreneurial mindset, creating an enabling environment, and implementing targeted policies to harness the full potential of entrepreneurship in driving sustainable economic prosperity [1].

Entrepreneurship development is a process that improves an entrepreneur's knowledge and skill set related to the creation, administration, and management of a business endeavour while taking into consideration the risks involved. This is accomplished via training sessions and programmes that highlight entrepreneurial skill. If you decide to work in this profession, you will be helping aspiring company owners improve their skills and overcome obstacles to starting their own enterprises. Because a tree was planted decades ago, someone is now sitting in the shade.

William Buffett. Because of the enormous contribution that entrepreneurs make, whether it is by creating new job possibilities or advancing the growth and development of a country, they are seen as more of a national asset. Through their creative endeavors, they have the capacity to change both how we live and how we work[2], [3]. Since more and more students are becoming interested in comprehending its drawbacks, entrepreneurship has emerged as a dominant subject in the modern world. One such area of expertise in this field is entrepreneurial development, which helps aspiring company owners improve their current aptitudes and talents so they can manage their enterprises more expertly. In-depth information on entrepreneurial growth, courses available, top colleges, and employment opportunities will all be covered in this blog.

### **Entrepreneurship Development Process**

Entrepreneurship development is a planned process that includes a number of instruments focused on the person's skill development in a variety of methods. A comprehensive roadmap for developing a successful entrepreneurship development program is provided below to assist you understand what it all entails: Setting a specific goal and developing a strategy for the entrepreneurship development program's objectives is essential before it begins. Having a clear direction and goals as the person in charge of planning this program is crucial to its success. Loss of time, money, effort, and most importantly, the individual's precious potential, will come from the lack of both[4].

### **Finding the Right Mentors/Training Professionals**

The major goal of the entrepreneurship development program is to assist potential entrepreneurs in developing their skills and understanding the nuances of running a firm. For this, you'll need qualified experts with relevant experience who can share their own life lessons with those who are just starting out or having problems. Find people who have obtained a professional certificate in this industry and register them for the session, or ask established businesses in your area if they would be willing to organize one.

### **Identify Potential Local Talents and Markets**

The local markets and the local entrepreneurs who are aware of it have benefited greatly from the rise of entrepreneurship. Reaching out to local markets is the ideal place to start if you want to run workshops and programs relating to this. The information may be used in the present situation and understood and absorbed more rapidly in these areas, making it easier and faster for the community to perceive the program's results [5], [6].

### **Choosing the right location to conduct the program**

The venue and resource selection are crucial factors in any event's success. These development programs need to be introduced in places where they can draw a lot of participants who wish to benefit from them.

### **Tie Up with Institutions**

Many times, these entrepreneurship development programs incorporate partnerships with various NGOs, private institutions, and colleges in order to provide the aspirants with real-world experience and serve to individuals in a variety of different industries. This will assist you in setting up better environments for businesspeople to interact, communicate, and trade ideas.



### **Assess Effectiveness & Seek Feedback**

Make sure to get feedback from participants after your entrepreneurship development session to determine what went well and what might have been improved. Examine how successful it has been in assisting aspiring business owners in finding answers to their problems. Try to include significant suggestions into the next program and be open to constructive criticism.

### **Entrepreneurship Development Concepts**

There are many key concepts that have influenced the development of entrepreneurship. Risk-taking, innovation, creativity, and sustainability are a few of these. Businesspeople need to comprehend each of these concepts in order to succeed.

### **Objectives of Entrepreneurship Development program**

The program's objectives for entrepreneurial growth are listed below. To offer details on a variety of projects carried out by various governments (federal, state, or regional governmental organizations), as well as different taxes levied on enterprises. To support entrepreneurship and the growth of small businesses to generate jobs and prospects for self-employment in the next generation of young people by providing them with the necessary training and professional supervision. To identify the best commercial opportunities and theories, both now and in the future. Develop and administer a range of programs to encourage and support various individuals in launching their startups and new businesses in small towns and rural areas. reduces danger for the nation's youth as a result of economic contribution [7].

## **DISCUSSION**

The discussion surrounding entrepreneurship development and its impact on empowering entrepreneurs and driving economic growth is multifaceted. Firstly, entrepreneurship development programs play a crucial role in equipping aspiring entrepreneurs with the necessary knowledge, skills, and resources to succeed in their ventures. These programs often offer training, mentorship, and access to finance, enabling individuals to transform their innovative ideas into viable businesses. By empowering entrepreneurs through education and support, entrepreneurship development initiatives contribute to the growth of a vibrant entrepreneurial ecosystem. Furthermore, entrepreneurship has a direct correlation with economic growth. As entrepreneurs establish and expand their businesses, they create job opportunities, thereby reducing unemployment rates and enhancing economic productivity[8]. Entrepreneurial ventures also stimulate competition, foster innovation, and introduce new technologies, all of which drive economic progress. Startups and small businesses, in particular, have the potential to disrupt traditional industries, generate wealth, and contribute to overall economic diversification. Moreover, entrepreneurship development is not limited to individual entrepreneurs; it extends to the creation of supportive environments and ecosystems. These environments include incubators, accelerators, and co-working spaces that provide entrepreneurs with access to networks, collaboration opportunities, and mentorship. Building robust entrepreneurial ecosystems encourages knowledge sharing, facilitates access to markets, and attracts investments, fostering a conducive environment for entrepreneurial success and economic growth. Additionally, the benefits of entrepreneurship development extend beyond economic factors. Entrepreneurship can empower marginalized groups, such as women, youth, and underprivileged communities, by providing them with equal opportunities for socio-economic advancement. By promoting

inclusivity and diversity in entrepreneurship, societies can tap into a broader range of talent and perspectives, leading to more sustainable and equitable economic growth. However, it is important to recognize that entrepreneurship development is not without challenges. Barriers such as limited access to finance, bureaucratic hurdles, and inadequate infrastructure can hinder entrepreneurial growth. Governments and policymakers must address these barriers by implementing supportive policies, streamlining regulations, and promoting entrepreneurial-friendly ecosystems. Collaboration between public and private sectors, as well as academia, is crucial in creating an enabling environment that encourages entrepreneurship and fosters economic growth. In conclusion, entrepreneurship development plays a vital role in empowering entrepreneurs and driving economic growth. By providing aspiring entrepreneurs with the necessary resources, support, and skills, entrepreneurship development initiatives enable individuals to turn their innovative ideas into successful businesses. The resulting job creation, innovation, and wealth generation contribute to overall economic progress. However, to fully harness the potential of entrepreneurship, it is essential to foster supportive ecosystems, address barriers, and promote inclusivity. By doing so, societies can unlock the transformative power of entrepreneurship for sustainable economic prosperity [9].

Entrepreneurship development plays a vital role in fostering economic growth and creating job opportunities in any society. It encompasses a range of activities aimed at nurturing and empowering entrepreneurs, equipping them with the necessary skills, knowledge, resources, and support to launch and sustain successful businesses. This overview explores the significance of entrepreneurship development in empowering entrepreneurs and driving economic growth.

### **Empowering Entrepreneurs:**

Entrepreneurship development programs are designed to empower aspiring and existing entrepreneurs by providing them with the tools and resources to succeed. These programs offer training and education in various aspects of entrepreneurship, including business planning, marketing strategies, financial management, leadership skills, and innovation. By enhancing their skills and knowledge, entrepreneurs gain the confidence and competence to navigate the challenges of starting and running a business effectively.

Moreover, entrepreneurship development initiatives often provide mentoring and networking opportunities. Seasoned entrepreneurs and industry experts share their experiences, insights, and guidance, helping aspiring entrepreneurs build valuable networks and access valuable resources. This mentorship fosters a supportive environment where entrepreneurs can learn from experienced individuals and gain valuable advice, enhancing their chances of success.

### **Driving Economic Growth:**

Entrepreneurship is a key driver of economic growth and development. By encouraging and supporting the establishment of new businesses, entrepreneurship development contributes to job creation, innovation, and wealth generation. Here are a few ways in which entrepreneurship development drives economic growth:

a. **Job Creation:** Entrepreneurs are job creators. By starting new businesses and expanding existing ones, entrepreneurs generate employment opportunities for the local workforce. Small and medium-sized enterprises (SMEs), often driven by entrepreneurial initiatives, are a

significant source of employment globally, contributing to reducing unemployment rates and improving living standards.

**b. Innovation and Technological Advancement:** Entrepreneurs are at the forefront of innovation. They identify gaps in the market and develop new products, services, and technologies to address them. Entrepreneurship development encourages a culture of creativity, risk-taking, and problem-solving, fostering an environment where innovative ideas can flourish. This, in turn, drives technological advancements, boosts competitiveness, and enhances overall productivity.

**c. Economic Resilience and Diversity:** A vibrant ecosystem of entrepreneurs contributes to economic resilience and diversity. When a society relies solely on a few large corporations or industries, it becomes vulnerable to economic downturns and shocks. However, a robust entrepreneurial ecosystem with a diverse range of businesses spreads risk and ensures a more balanced and sustainable economy. In times of economic crisis, entrepreneurs can adapt quickly, create new opportunities, and drive recovery.

**d. Wealth Generation and Economic Mobility:** Entrepreneurship provides individuals with the opportunity to build wealth and improve their economic status. Successful entrepreneurs can generate significant profits and wealth, contributing to overall economic prosperity. Additionally, entrepreneurship can create upward mobility, allowing individuals from diverse backgrounds to break free from poverty and achieve financial independence.

Entrepreneurship development plays a crucial role in empowering entrepreneurs and driving economic growth. By providing aspiring and existing entrepreneurs with the necessary skills, knowledge, resources, and support, entrepreneurship development programs empower individuals to start and grow successful businesses. In turn, these businesses contribute to job creation, innovation, economic resilience, wealth generation, and overall economic prosperity. Therefore, fostering an entrepreneurial culture and supporting entrepreneurship development initiatives are essential for societies aiming to achieve sustainable economic growth and development.

## CONCLUSION

In conclusion, the role of entrepreneurship development in empowering entrepreneurs and driving economic growth cannot be overstated. By equipping aspiring entrepreneurs with the necessary skills, knowledge, and resources, entrepreneurship development programs enable individuals to realize their entrepreneurial ambitions and contribute to economic progress. The creation of a supportive ecosystem that fosters collaboration, innovation, and access to markets further enhances the entrepreneurial landscape. The positive impact of entrepreneurship on economic growth is evident through job creation, wealth generation, and the introduction of disruptive technologies. Moreover, entrepreneurship development has the potential to promote inclusivity and empower marginalized groups, leading to more equitable and sustainable economic development. However, it is crucial for governments, policymakers, and stakeholders to address the barriers and challenges faced by entrepreneurs and implement policies that create an enabling environment for entrepreneurial success. By nurturing and supporting entrepreneurship, societies can unlock its transformative power and pave the way for long-term economic prosperity.

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