

ENTREPRENEURSHIP DEVELOPMENT IN INDUSTRIAL ESTATE

Anusha H S

Assistant Professor in Commerce

Department of Post Graduate Studies in Commerce

K.H.Srinivasa Institute of P.G.Studies

Lal Bahadur Arts, Science and S. BSolabanna Shetty Commerce College,

Sagara Shivamogga, Karnataka

ABSTRACT

Entrepreneurship is gradually recognized as an imperative driver of economic development, productivity, innovation and employment. It is widely accepted as a key facet of economic energy. An industrial estate is a place where necessary infrastructural facilities are made available to entrepreneurs. The development of industrial sector contributes to the expansion of existing employment, output and export and fostering entrepreneurship, so as to fulfil the socio economic objective of the nation for balancing the regional development especially in rural, semi urban and backward areas. Under these circumstances here an attempt is made to analyse the entrepreneur development in industrial estate. For the purpose of research, data has been collected from both primary and secondary sources. Collected data has been analyzed and interpreted with statistical tools and conclusion is drawn at the end.

Keywords: entrepreneurship, industrial estate, regional development

1. INTRODUCTION

Entrepreneurship is regarded as one of the important inputs for economic development of any country. It is the backbone of the nation. More the Entrepreneurial activity better will be the development. It helps in capital formation by mobilising idle savings of the people through issue of securities and leads to productive utilization of such money. When it is put into production, it automatically leads to increase in per capita income, which is an important yard stick to measure economic growth. Entrepreneurs are generating employment to millions of people by setting up of industries. The industrial estates are the facilitating agencies providing infrastructural facilities to the entrepreneurs.

2. REVIEW OF LITERATURE

Prakash and B. H Devaraj , found that entrepreneurs and entrepreneurships are the real agents of any economy of the country right from the inception of production through industries. The Entrepreneurs do play a predominant role in all the time do sustain, survive and flourish. Through economic growth adequate encouragement to the new Entrepreneur is needed. Further the importance and the significance that they deserve re not sufficiently given and challenging dynamic ever innovative Entrepreneurs are to be recognized and honoured to boost up their morale.

Alexnder P.C in his study on role of industrial estates in attracting the industries from outside the estates, found that programme of industrial estate launched by the government has achieved a great success in attracting the industries outside the estate towards the industrial estate.

Bhagmar M. and **Verma B.L** in their study found that globalization puts problems in front of the Entrepreneur .In order to overcome this, entrepreneurs have to change their mindset, Strategies and game plans. Entrepreneurs should be ready to bear more risks should be innovative and required to expand their market. Another finding was that, Entrepreneurship is required to take strong roots at the village level and where there is opportunity scope for more income generating.

3. STATEMENT OF THE PROBLEM

The concept of entrepreneurship development got much importance only after independence, when significant changes took in the industrial scenario, to achieve regionally balanced growth of the country. This can be made possible through the small scale industries, which makes proper use of available local resources and human resources. For this government has recognised the industrial estate programme as an instrument to achieve the speedy industrialization which helps in Entrepreneurship development. As far as Sagar is concerned, the industrial estate contributed for the development of entrepreneurship, though it is the second largest estate in the Shimoga District, suffers from plenty of problems. Many units have been closed because of lack of supply of raw material, poor infrastructural facilities, shortage of power, lack of sufficient finance, non availability of skilled labour etc., hindered in the development of entrepreneurship. Under these circumstances a study on the extent to which entrepreneurship development took place in Sagar industrial estates is more keenly felt. Hence this study is undertaken.

4. OBJECTIVES OF THE STUDY

The present study focus on the following objectives

- i. To examine the extent of entrepreneurship development in industrial estate of Sagar
- ii. To examine the problems faced by the entrepreneurs in the industrial estate.

5. HYPOTHESES FOR THE STUDY

1. H₀: There is no association between family background and initial investment of the entrepreneurs.

H₁: There is an association between family background and initial investment of the entrepreneurs.

2. H₀: There is no association between Category and Percentage of profit.

H₁: There is an association between Category and Percentage of profit.

6. RESEARCH METHODOLOGY

For the purpose of study, data has been collected from both the primary and secondary sources. The primary data is collected by conducting a field survey with the help of the well structured interview schedule; twenty entrepreneurs functioning in industrial estate were interviewed. The secondary data has been collected from reports, books, journals; Convenient sampling method is used while drawing the sample. The collected data has been analyzed and interpreted with the help of various statistical tools like percentage, weighted point, chi-square and conclusion drawn at the end.

7. DATA ANALYSIS

The data collected from the sample of 20 entrepreneurs have been analysed and presented below:

Table 1
Demographic Profile

Classification base	Frequency	Percentage	
Age	Below 30 years	3	15
	31 -40	10	50
	41 – 60	6	30
	Above 60 years	1	5
Marital status	Married	19	95
	Unmarried	1	5
Education	Primary	-	-
	SSLC	8	40
	Collegiate	12	60
Category	SC / ST	1	5
	Minority	4	20
	OBC	6	30
	Women	2	10
	General	7	35
Family background	Trade / Industrial	10	50
	Agriculture	6	30
	Service /		
	Employment	4	20

Source: Primary Data

Table 1 reveals that out of the survey 15 percent of the respondents are fall under the age group of below 30 years, 50 percent of respondents are belongs to 31 to 40 years, 30 percent of the respondents are comes under the age group of 41 to 60 years and 5 percent of the respondents are above 60 years old. Out of 20 respondents, 95 percent of the respondents are married and rest of them are unmarried. The study clears that 40 percent of the respondents are studied up to SSLC and 60 percent of the respondents are Collegiate. out of total interweaved , 5 percent of the respondents belong to SC / ST category , 20 percent of the respondents are fall under minority community , 10 percent of the respondents are women and remaining 35 percent of the respondents are comes under general category. out of the survey, majority of the respondents are from trade / industrial background that is 50 percent , 30 percent of the respondents are from agricultural background and rest of the respondents are belongs to service or employment background.

Table 2
Factors Motivating the Entrepreneurs

Factors	Frequency	Weighted points
Availability of shed/plot	6	36
Need for independence	4	20
Desire to achieve something in life	2	8
Availability of loan or subsidy	2	8
To get social prestige	4	20
To earn income or money	12	84
Any other	4	20

Source: Primary Data

Table 2 shows that, the factors motivating the entrepreneurs to start the unit in order of importance being earning money / income (with 84 points) followed by availability of shed/plot (with 36 points), need for independence, to get social prestige and other factors (with 20 points each) and desire to achieve something in life and availability of loan / subsidy factors (with 8 points each)

Table 3
Initial Investment

Investment (in Rs)	Frequency	Percentage
Less than 1,00,000	5	25
1,00,000 -10,00,000	9	45
10,00,000 25,00,000	3	15
25,00,000 50,00,000	2	10
50,00,000- 1,00,00,000	1	5
More than 1,00,00,000		
Total	20	100

Source: Primary Data

It can be taken from the Table 3 that 5 entrepreneurs are started their unit with initial investment of less than Rs.1 lakh. A large number of units i.e., 9 units were established with an initial investment ranging from Rs.1 lakh to Rs.10 lakhs. There were 3 units which have an initial investment in between Rs.10 lakhs to Rs.25 lakhs. 2 units established with an initial investment in between Rs.25 lakhs to 50 lakhs and 1 unit had an investment of Rs.50lakhs to 1 crore.

Table 4
Percentage of profit

Percentage of profit	Frequency	Percentage
1 to 5	6	30
6 to 10	6	30
11 to 20	6	30
Above 20	2	10
Total	20	100

Source: Primary Data

Table 4 reveals that 10 percent of the entrepreneurs were earning the profit exceeding 20 percent p.a., 30 percent of the entrepreneurs were earning the profit in between 1 to 5 percent per annum, 6 entrepreneurs (30 percent) were in the range of 6 to 10 percent and the remaining 30 percent are earning profit in the range of 11 to 20 per cent.

HYPOTHESES TESTING

- H₀:** There is no association between family background and initial investment of the enterprise.
- H₁:** There is an association between family background and initial investment of the enterprise.

Table 5

Association between Family background and Initial investment of the enterprise

Initial investment	Family background					
	Trade / Industrial		Agriculture		Service / Employee	
	O	X2	O	X2	O	X2
Less than 1,00,000	0	2.5	3	1.5	2	1
1,00,000 - 10,00,000	5	0.055	3	2.7	1	3.555
10,00,000 - 25,00,000	2	0.17	0	0.9	1	0.27
25,00,000 - 50,00,000	2	1	0	0.6	0	0.4
50,00,000 - 1,00,00,000	1	0.5		0.3	0	0.2
Total	10	4.225	6	3.33	4	28.955

Degree of freedom (df) = (C-1)(R-1) , (3-1) (5-1)= 8

Calculated Chi Square value = 36.51

Chi square value at 5 % significance level = 15.5073

Inference: As the calculated value is greater than the table value at 5% level of significance, it can be inferred that there is a significant association between family background and initial investment.

2. H₀: There is no association between Category and Percentage of profit.

H₁: There is an association between Category and Percentage of profit.

Table 6

Association between Category and Percentage of profit

Category	Percentage of profit							
	1 to 5		6 to 10		11 to 20		20 and above	
	O	X2	O	X2	O	X2	O	X2
SC /ST	0	0.33	1	1.63	0	0.3	0	0.1
Minority	3	2.7	1	0.03	0	1.2	0	0.4
OBC	2	0.022	3	0.8	1	0.35	0	0.6
Women	0	0.6	0	0.6	2	3.26	0	0.2
General	1	0.57	1	0.57	3	0.38	2	2.41
Total		4.222		3.63		5.49		3.71

Degree of freedom (df) = (C-1)(R-1) , (4-1) (5-1)= 12

Calculated Chi Square value = 17.052

Chi square value at 5 % significance level = 21.026

Inference: As the calculated value is lesser than the table value at 5% level of significance, it can be inferred that there is no significant association between category and percentage of profit.

8. CONCLUSION

The development of entrepreneurship has its own implications on the advancement of any country. The entrepreneurship development does not restrict only to the establishment of industrial estates. To achieve this, there should be commitment from both entrepreneur side and from government institutions. The study has successfully evaluated the development of entrepreneurship in Sagar industrial estate in terms of motivational factors, family background, investment and profit. The study also tried to find out the association between family background and initial investment and category of the entrepreneur with percentage of profit.

9. REFERENCE

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