CHAPTER 4
SOCIAL RELATIONSHIP AND ORGANIZATIONAL BEHAVIOUR AMONG ENTREPRENEURS

Entrepreneurship is often identified with the creation of new business ventures or with self-employed individuals. These activities are indeed expression of entrepreneurial behaviour among the rural people of Manipur. Entrepreneurship, however, is a much broader phenomenon. Whether starting a new business, or deciding which way to take for earning, individuals are always on the alert to the possibility of changes that may improve their lives, even if in very small ways. All individual are potential innovators or imitators of someone's success who are seeking new and better way to do things. Thus, starting a entrepreneurship needs a characteristic human behaviour like the identification of new end-means frameworks. It is also a timeless human universal phenomena present in all places and cultures of every society irrespective of regional difference. So, it always needs to take multidimensional view on the development of entrepreneurial activities in the region, especially, where there are various ethnic groups with different socio-economic and cultural environments.

At the same time, classic theorists as diverse as Adam Smith, Karl Marx and Max Weber have debated the role plays by cultural values in stimulating economic activity. Since, entrepreneurship is widely regarded as an engine of economic growth; which dimension of culture contributes to the development of entrepreneurship is a very important question to be analyzed. (Thomas M. Begley and Wee Liang Tan, 2001, 537). The understanding of social and cultural capital benefits are not just to realize the source of benefits. It also tends to conflate group membership, intra-group exchange, benefits of membership. It also emphasizes on long term investment in durable networks for their activities. As according to Nan Lin (2001), social capital and cultural capital play a significant role in organizing the social network and social ties that ultimately influences on the development of entrepreneurship. The social ties may influence on other agents (e.g. recruiters or supervisors of the organization) who play a
crucial role in decisions making (e.g. hiring or promotion) involving the actor. Some social ties, due to its strategic locations and position (e.g. authority or supervisory capacities), also carry more valued resources and exercise greater power on organizational agents’ decision making. Social ties and their relationship to individual may be conceived by the organization or its agent as certifications of individual’s social credentials, some of which reflects individuals’ accessibility to resources through social networking and relations – his or her social capital. So, social relations are expected to reinforced identity and recognition. Being assured of and recognized for one’s worthiness as an individual and as a member of a social group sharing similar interest and resources, not only provides emotional support but also public acknowledgement of one’s claim to certain resources. (Nan Lin, 2001, pp 19-20)

However, Bourdieu (1986: 248) sees capital in three guises: as economic capital, as cultural capital and as social capital. For him, social capital is made up of social obligations or connections. It is the aggregation of actual or potential resources which are linked to possession of durable network of institutional relationship of mutual acquaintance and recognition, or in other words, to a member of a group. Capital, in this form, is represented by the size of the network and the volume of the capital (income, cultural and symbolic) possessed by those to whom a person is connected. Nevertheless, social capital is a collective asset shared by members of a defined group, with clear boundaries, obligation of exchange and mutual reorganization. Bourdieu mentions social capital as a product of members group as a form of capital possessed by members of a social network or group. Through connections among the members, the capital can be used by members as credit. In this sense, social capital is a collective asset endowing members with credit, and it is maintained and reinforced for its utility when members continue to invest in their relationship.
Influence of social networking and group feelings on entrepreneurship development

Among the rural people of Manipur, traditional mindset of rural people prevails in their day-to-day life and their social environments. They have the notion that they are initiating their entrepreneurial activities as they are not able to get any government jobs which ultimately forced them to start such a new venture. Nowadays, such logics or mindsets are slowly weaning away from them as parents encourage the young people to make their living of their own. In addition to this, the individuals' employment choice and their innovation are closely associated with the influence of the social capital of the existing society. The social networks and embeddedness are also crucial factors in the decision making like whether to become entrepreneurs or not. In fact, entrepreneurial action does not take place all on a sudden; rather it is embedded in networks of social relationship either within the family or friends or peer groups, etc.

By observing and interacting with other, entrepreneurs acquire information and skills, and learn how to find competent employees and inputs at affordable price, obtain financial support, and find potential buyer. The environment they live in and the relationships they develop influence their decisions and legitimize their activities. In fact, when choosing an ambiguous entrepreneurial environment, individuals tend to base their decisions on social indications and that participation in social networks is a crucial element for entrepreneurs. Throughout the entrepreneurial process, interactions are important. And potential entrepreneur’s social networkings are usually referred to as the entrepreneur's social capital. Such social relationships influence and motivate them to initiate new ventures irrespective of having high risk factors in organizing different entrepreneurial activities like piggery, poultry, bamboo shoot fermentation, dry fish fermentation, etc. in those rural environments.

The entrepreneurs at Kakching and the surrounding villages have strong obligations and expectations among themselves that depend on the trustworthiness of their social environment, or it may describe the existence of norms accompanied by possible sanctions. They help each other in terms of
financial assistance, exchanging information, etc. in organizing their entrepreneurial activities. Moreover, social capital may also link to the exchange of labour (among the families or relatives, etc) in carrying out major activities. So, the existences of good behaviour among the entrepreneurial groups are very necessary especially during their crucial hours.

However, the influence of social capital in entrepreneurship development especially in rural and backward areas has complex concepts, including trust and social networks, culture, belief system, etc. As the workers in their entrepreneurial activities come from different families, they are always cautious about their habits like drinking, playing cards, influence of insurgencies, etc. Most importantly, they are very much afraid of workers who are from outside Kakching. It is due to the reason that the rural areas of Manipur are becoming the easy shelters for the insurgents. Many entrepreneurs also get extortion/demands of money from different insurgent groups. These factors ultimately bring personal relationship as its roots in the development of individuals as entrepreneurs for different entrepreneurial activities. In this connection, social organization relating to the social relationship among individuals and also the shared norms and values associated with them becomes a pivotal factor in developing entrepreneurial activities. Such relationships can be organized into two sub-groups like

1. resource that lies in the social ties that an entrepreneurs has with other entrepreneurs.
2. the social structure of a collectivity and in the characteristics of the links that provide the entrepreneurs, workers and customers with cohesiveness, thus facilitating the achievement of shared goals.

One of the main contributors to social capital is the aggregate or collective responsibility of the actual or potential resources. They are linked to possession of a durable network of more or less institutionalized relationships of mutual acquaintance or recognition. Therefore, it considers social capital as an attribute of the individual rather than of the social structure and adopts an idiosyncratic (individual-centric) view in which individuals access social relationship through
their social networks. It is also considered as an individual resource for organizing any entrepreneurial activities in the region like Kakching where people know each other through their activities. Among the people, they have strong kinship relationship and it is always difficult to hide their business activities from their neighbour. This becomes one reason for which they need strong solidarity among them.

**Organizing entrepreneurship in rural areas of Manipur**

The nature of the entrepreneurship and its types of organizing and networking pattern in rural is different from the urban life in Manipur. In the rural areas of Manipur, establishing an entrepreneurship is difficult as most of the entrepreneurs are the first generation entrepreneurs. They have little knowledge about the entrepreneurial activities. At the same time, they face many problems at the initial stage like arranging raw materials, capital investment, marketing skills, etc. It is quite often that it takes a long duration to set up one entrepreneurial unit. It involves planning by considering the available resources in the area. The rural entrepreneurs always need to have strong relationship with their family as their family members are the helping hand in developing their entrepreneurial activities. They also have to keep good relationship with their local people. They should keep good image to their neighbouring families and friends so that entrepreneurs will get moral helps from them. This also helps entrepreneurs to avoid the interference from militants in developing their entrepreneurial activities as insurgents always have keen interest on collecting money forcefully from the people who starts new activities, as militants consider the local entrepreneurs as financially better than the common people. Their neighbours and friends will come and extend help either in negotiating the ransom demanded by the militants or to put off the issue completely. Thus, entrepreneurs usually are compelled to keep low profile in their working place to avoid unwanted attraction from various militants group function in an around Kakching. At the same time, rural entrepreneurs need to have strong relationship with their neighbouring villagers for developing their entrepreneurial activities. For
instance, Mr. M. Mukundo Singh has bamboo-shoot fermentation unit. He keeps
good relationship with the hilly people specially Purum village, Khonggam village,
Lamkang village, etc. as they are the only main sources of raw material for his
bamboo-shoot fermentation business. It always requires having strong solidarity
and trust with the hilly villagers. Such a strong bond with the neighbouring
villagers helps in developing his entrepreneurial activities. Sometimes, the social
conflict among the hilly people and the valley people drastically affect his
entrepreneurial unit. During the conflicts between the hilly people and the valley
people, all supplies of raw material from the hilly villages stop without any
reason. He suffers great loss in his business. And also, the consent of their
neighbouring people is necessary as the process of fermentation of bamboo-
shoot produce bad smell. So, there are chances of complaints from the locality
about their entrepreneurial activities. Organizing entrepreneurial activities are
more accomplished in the social interaction among the people within or outside
their locality as they have trust on the people who are well known to them.
However, some entrepreneurial activities like piggery, meat shop, etc. need to
have a suitable place for its establishment. For example, one cannot build a
piggery unit anywhere he/she likes because it might hurts religious sentiment of
the people in the locality. One should avoid establishing their units near religious
places like Hindu temple, Apokpa Laishang, etc. Thus, organizing entrepreneurial
activities is socially and culturally embedded and regional specific. They need to
consider all aspects while selecting their entrepreneurial activities.

**Emergence of entrepreneurial activities among the rural people**

In developing new entrepreneurial activities at Kakching, proper selection
of the types of entrepreneurial activities is essential. In the initial stage of
establishment, more initiatives are required in carrying out their business. For
instance, Mr. Chaoba Singh has a cinema hall at Kakching. He came across
many hurdle in establishing his cinema hall. In his initial days, he had faced many
problems like arranging electric power, film supplier contact, managing his
employees, avoiding demands from the insurgents, etc. This phase of
development is very important for the survival and stability of the entrepreneurial activities in their rural environment. As most of the neighbouring town's entrepreneurs are the competent for them as the neighbouring town entrepreneurs start their enterprises if they happen to get the opportunity in the area. So, the local entrepreneurs have to maintain their strong foundation for the survival of their business which they can expand later. They need to consider the available resource for maximum utilization without putting much investment so that it will give maximum output.

In rural areas of Manipur, most of the modern entrepreneurial activities (like computer works, PCO, etc.) are very new. So, organizing such kind of entrepreneurial activities becomes very difficult and challenging. Procedures for managing resource consumption are developed and they have to plan before establishing their entrepreneurial activities. The individual human and social assets become increasingly institutionalized in the organization of their entrepreneurial activities. Organizing such entrepreneurial activities may add new experience and train people. It is also required to transfer their knowledge to among the workers.

Moreover, the internal organization processes and routines are improved, and more formalized procedures and structures are developed. Some organizing activities are associated with the development of internal knowledge transfer, and specialization of labor within the workers, while other activities involve external interactions in implementing product/marketing strategies, acquiring new resources, and extending network. The new ventures are focused on surviving in the short term, and achieving performance in the long run, although the organization may become stable or decline. It is due to the reason that most of the entrepreneurs face the problem of lack of capital investment while initiating their new venture. For instance, Mr. Joykumar Singh, born at Kakching Sumak Leikai, hails from a middle class family of five children. He is the second child born to his parents. After B.A. degree, he could not continue his studies further due to the poor economic condition of his family. He decided to set up an enterprise to earn his livelihood and help his father to maintain the family. Apart
from financial compulsion, he had a desire to be on his own. And also, he was influenced by the EDP (Entrepreneurship Development Programme) conducted by DIC (District Industries Centre, Thoubal) to start an enterprise of their own. His family also responded positively when they learnt his decision to do business. At the same time, his parents were worried about the financial risk he was taking in order to start new enterprises. After discussion with his parents, he decided to start a PCO with Xerox and lamination facilities at Kakching. Mr. Joykumar Singh got a loan of Rs. 1 lakhs sanctioned from DIC under the PMRY (Prime Minister Rojgar Yojana) scheme. While setting up the new unit, he faced the problem of inadequate finance, delay in getting the loan sanctioned. At the same time, he also faced problems of frequent power cuts, and unavailability of machinery spare parts locally, technical assistances, etc. Moreover, the technical adjustment to such new machines was the most difficult problem to handle for him. For every technical problem, he has to manage the technicians form Imphal. These technicians also demand more money as they have to come from Imphal city. Sometimes, the technicians were reluctant to come to Kakching due to the law and order problems in the area. Gradually, he adjusted himself to run his entrepreneurial unit.

The challenges of newness are complex. New organizations face difficulties associated with their liability of newness and size, influencing perceived legitimacy in the eyes of external constituents, which may affect a new organization’s ability to obtain resources like organizing computer training centre, medical laboratory, etc. Competitive threats may challenge a new organization to stick to or modify its vision, while decisions involving resource allocation, combination, and development into unique assets present additional dilemmas.

**Case study: Challenges in developing new entrepreneurial activities**

Moirangthem Muktamani Devi, an educated lady from Moirangthem Leikai Kakching, hails from a lower middle class family. Her father expired when she was very young. Her mother brought her up along with other three children by
doing some petty jobs. Her mother used to collect old unused silver utensils (materials) from door to door and send them to the local dealer.

After she got married, her father-in-law did not give financial help to support their family. So, they started living in a separate house. Her husband was a small contractor who did not have a regular income. To support the family income she worked as an agricultural labour. But that too was not enough to manage the family as it gave only seasonal employment. Her sister-in-law used to knit woolen hats and Muktamani learnt the art of knitting different items from her.

Muktamani used to go to the local cobbler to mend her children’s torn shoes very often. She used to sit near the cobbler and observe carefully how he had stitched and mended the shoes. She developed an idea that she could make shoes by knitting if she had the sole. One day she unstitched one of the torn shoes of her daughter and she knitted over the old sole. In doing so she consulted with the cobbler and was able to produce beautiful knitted shoes. She felt that there was an immense scope for knitted shoes and fixed up her mind to set up a shoe factory. She knitted some shoes to their neighbour to attract their attention. In the initial period of her work, she spent lot of time to find out whether people will be interested in her product. Some people commented that her products are not stylish and it will not be durable too. She worked hard to popularize her new products with lot of personal interest. Her skill became more refined over a period of time.

Later, Mrs. Muktamani Devi started the enterprise by investing Rs. 20,000/- and could earn about Rs. 1000/- per month. In 1993 she participated in the Entrepreneurship Development Programme organized by NECON (North East Industrial Consultants, Agartala). It created more confidence in her. In 1995-96 she got a loan of Rs. 30,000/- from Khadi Board and she had upgraded the unit by this financial support. Then she got many invitations to participate in exhibitions inside as well as outside the state. Since then there has been a lot of demand.
Mrs. Muktamani Devi attended another EDP in January, 2000, which was conducted by IIE (Indian Institute of Entrepreneurship, Gawahati). Since the quality of her shoes was good, the business got stabilized. She started earning about Rs. 20,000/- or more money per annum. Now she sells her products locally, through dealers and mainly by participating in trade fairs and exhibitions. Her marketing efforts have elicited enquiries from various quarters. However, success did not come to Muktamani very easily. It was not easy to market something new and unique. It was sheer perseverance and hard selling that built Muktamani’s business.

She has the satisfaction of providing employment to ten persons. And Mrs. Muktamani Devi is also an excellent employer to her workers. Though many entrepreneurs have found it difficult to manage labour in her locality, she had no such difficulties. She has convinced her workers that if production increased all would be benefited. As an incentive to reduce wastage in production and maintain quality, she has also introduced some sort of production linked incentive scheme. Muktamani leads an active life looking after her business and being a role model to budding entrepreneurs.

**Entrepreneurship Development and Local environment adaptation**

Local social networks, norms, and trust facilitate coordination and cooperation for mutual benefit among the entrepreneurs in developing their entrepreneurial activities. The good-will available to individuals or groups lies in the structure and content of the entrepreneur’s social relations. It enhances the relationships between individuals and their surrounding social environment that facilitate good responses and thereby create social value.

It also refers to the kinds of relationship people develop when experiencing social interaction. It involves trust, respect, friendliness, and trustfulness, which in turn, affect the quality of the relationships and the availability of resources, information and knowledge through networking. It also provides shared representations, interpretations, and systems of meaning among parties within the communities. It can act as a resource capable of creating
interdependencies and of producing trust thereby reducing transaction costs and encouraging sustainable cooperative behaviour. So, mutual trust is generated from others’ awareness that future benefits depend upon current honesty or on efficient enforcement mechanisms in the local environment. For instance, Mr. Khongnemba Singh is a hardworking, soft hearted and a very enterprising man. He started his brick farm in his paddy field near the Irum Mapal, Kakching. In the initial year, he could not sell his product profitably, but this did not disappoint him at all. Later, he enhanced the quality of the brick through experiences. Moreover, in due course of time, the workers also have gained skilled to produce more quality product in their work. Most of the workers are from the surrounding village like Keirak, Irengband, Pallel, Sora, etc. He developed good relationship with his workers. He spent most of his time with them during working days. He gave incentives during festivals like Ningol chakouba, Durga Puja, Cheiraoba, etc. He always maintains close and friendlier relationship with his workers. He also respects all his workers irrespective of age, economic status and religion. He kept trust in them and asked them to consider work as their own. Such type of co-operative behaviour and encouragement helped in developing his entrepreneurial unit.

Social networking among entrepreneurs, workers and customers

The main discussion is the social networking among the entrepreneurs with their workers, customers, etc. It also deals with different entrepreneurial units having different organizational structure that have a bearing on employee attitudes and behaviour.

Many of the rural entrepreneurs lack the skill of organizing their entrepreneurial unit in a more formalized way. However, some of the new units have transformed their units into more adaptable and productive ways. They learnt the organizational structure within the entrepreneurial unit that concentrates on how job tasks are formally divided, grouped, and coordinated among the worker and with other entrepreneurial units too. It is mainly focusing on the activities which entrepreneurs organized in their working capabilities and
their production. Sometimes, entrepreneurs allow their workers or employees to take part in decision making for the progress of the unit. For instance, Mr. Mukesh Singh runs his piggery unit for the past five years with his local uncle, Mr. Kanta Singh. Mr. Kanta Singh, as helper, took all the responsibilities when Mr. Mukesh is not in available in the piggery unit. In his absence, Mr. Kanta also takes care of the supply of their pigs to the Pallel, Lanmeidong, Tera, etc. So, Mr. Mukesh Singh is very happy to be with him in his piggery unit. Some of the elements of the organizational structure observed form the study are as follows:

**Expertise**

Most of the earlier entrepreneurial units in rural entrepreneurial activities lacked specialization in their activities. Workers were engaged in different activities while functioning their work. However, with the advancement in their working organization, workers are assigned to do a specific, repetitive task which they are familiar with. For instance, consider a person who is specialized in designing Almirah or cot or assembling the final product in furniture entrepreneurial unit- someone will provide him with the raw material for his needs. Again those who are specialized in supplying raw material (finished) for assembling the final product always assist him. This leads to avoid loss of time and also avoid extra wastages of the materials. It also brings group solidarity among the worker.

The essence of work specialization is that, rather than an entire job being done by one individual, it is broken down into steps, each step being completed by separate individual. In essence, individual specialize in doing part of an activity rather than the entire activity. Most of the young entrepreneurs saw this as a means to make the most effective use of its employees’ skills. And employee skills at performing a task successfully increase through repetition. Less time is spent on changing tasks, on putting away one’s tools and equipment from a prior step in the work process, and on getting ready for another. Equally important fact is that the training for specialization is more efficient from the organization’s perspective.
**Departmentalization**

It is an interesting process which is observed from the workplace. Once the activities are divided through work specialization, the workers need to group these jobs together so that common tasks can be coordinated. The main basis of it is the grouping together for common goals. This makes the entrepreneurs to organize among their workers into different units like accounting, manufacturing, purchasing, etc. This functionally seeks to achieve more goals oriented by using common skills. As mentioned by the workers from the Ratan's Jewelry works, Mr. Ratan Singh, the proprietor, mentioned that his jewelry work is divided into two different sections like the selling section and the manufacturing section. In the selling section, he assigned Mr. Kumar and Mr. Tomchou. They are B.A. degree holders. They maintain good relationship with the customers as well as good in accounting work. However, in the manufacturing section, most of the workers work together. The skilled and trained workers took major works in making high cost ornaments.

It becomes easier and less expensive to find and train workers to do specific and repetitive tasks than to do a broad range of diverse tasks. In such cases, productivity could be increased by enlarging rather than narrowing the scope of job activities. In addition, some entrepreneurs observed that by giving employees a variety of activities to do and by allowing them to do a whole and complete job, and putting them into teams with interchangeable skills, they often achieved significantly less output with lesser employee satisfaction.

**Impact of Culture on Entrepreneurship Development**

To form a new venture entrepreneur requires foresight and energy, passion and perseverance, initiative and drive, etc. Entrepreneurs share a predictable set of values like fixing the common price of their products, sharing and resolving problems for the common cause e.g. extortion of money by insurgents, etc. that are different from those shared by individuals who have followed a non-entrepreneurial trajectory. Despite this evidence, it is also reasonable to expect that entrepreneurs, like their marginal counterparts, reflect the dominant value of
their culture. Thus, while they share some universal traits, others might be more culture-specific. Among the entrepreneurs in rural areas of Manipur, they rely on family ties in developing their business. Many of the entrepreneurs own and operate their entrepreneurial activities through joint families. They also consider the moral behaviour of the people while recruiting their employee. It may be due to the reason that most of the young people become more prone to bad habits like drinking, smoking, etc. And most importantly, many of the entrepreneurs complain about the young people of easily getting cheated by the insurgents and may use them for their anti social activities. Such young minds have no firm ideas so they are sometimes easily carried away and insurgents used them to get information about their owners’ business. These sometimes bring burden to extortion of money demands by insurgents to the emerging entrepreneurs in Manipur.

Entrepreneur established and re-established its fundamental set of relationship with its rural and social environments of Manipur. It is a strategy characterized by widespread and more-or-less simultaneous change in the decision making pattern by any entrepreneurs. The need for entrepreneurial behaviour arises with the creation of a new entrepreneurial venture. They innovatively establish itself in a configuration which will allow it to survive and prosper in its existing socio-economic environment of Manipur. Once established, entrepreneurs are inducing the potential or actual rebel between their entrepreneurial activities and rural social environment. Perception of potential competent entrepreneurs may lead the organization to act practically in adapting smoothly their entrepreneurial activities to such change. The perception of entrepreneurs in their entrepreneurial activities is also being affected due to the changing environment to its own benefit. As mentioned by Mr. Y. S. Singh who engaged in furniture works, that in his initial days of starting his entrepreneurial activities he always thought of how to maintain workers for the survival of his unit. Once he established his unit, he again thought of different ventures like producing different types of furniture products like almirah, cot, sofa, dinning set, etc. which are different from the products of other furniture houses. He has
specially trained employees who engaged in polishing and painting the furniture products. This enhanced the genuine look of his products. He also used many modern tools like electric wood driller, electric wood polisher, electric saw, etc. All his efforts make his furniture unit to compete with other furniture works in the area.

**Technology development and Entrepreneurship**

New technology is very important in developing the entrepreneurial activities in the region. Manipur is always away from the technological developments. The rise in the technological innovation came only a few decades before. Most of the entrepreneurial units especially like the saw mills, furniture house, brick field farm, etc. were functioning by the manual labour. They relied mainly on their human power. This needed more workers but produced less products. At the same time, it also consumes more time for procuring their works. Nowadays, with the coming of new technology, the working behaviour also transformed into a more knowledge based work rather than a labour based one. The common idea among the new technologies in the workplace is that they substitute machinery for human labour in transforming inputs into outputs. This also led to increase in the investment for most of the entrepreneurial units really rely on modern technology.

For instance, the introduction of electricity in the rural area of Manipur allowed introducing electric-saw-mill that could produce more, faster and cheaper than what was previously possible when the saw mill were powered by the individual labour. Even in the printing press, a decade ago, they had to work day and night for print some pages of books or Journals. Nowadays, the introduction of offset-printing machine changes the working pattern of the printing press in the rural life at Kakching. People are aware of such machines and they have less tension for arranging orders for printings like invitations, posters, journals, books, etc. So, the computerization of equipment and machinery in the last quarter-decades has been the prime move in reshaping the workplace.
However, the changes in technology in rural areas also have cut the shelf life of most employees’ skill. A traditional working employee could learn one job and be reasonably sure that his or her skills would be adequate to do that job for most of his or her life. That certainly is no longer true. New technologies driven by computer and flexible manufacturing systems are changing the demands of jobs and the skills employees need to do them. Repetitive tasks-like those traditionally performed in press (business) and by low skilled employees—will continue to be automated. A good number of jobs will be upgraded. For instance, a most professional worker who had been working long before the intervention of computer in Printing press should be upgraded to become more of an advanced skilled worker or assistant. Those workers who are not equipped to take on these expanded roles should be displaced.

**Case study: Importance of Technological Knowledge in Entrepreneurship Development**

Mr. Inaoch Singh (29 yrs) is a young dynamic person from Kakching. He often goes to Imphal to visit to one of his brother’s friend, by name Khumukcham Joykumar Singh, at Konung Mamang Bazar, Imphal. Mr. Joykumar Singh was working as a computer assistant in the Private Institute at Imphal. Mr. Joykumar Singh introduced Mr. Inaocha Singh to his owner and allowed him to visit his private office frequently during their school vacation. Later, Mr. Inaocha Singh started his career by joining the basic course of hardware there. As Mr. Inaocha Singh became familiar with the people in the office, he was recruited as a helper and also started learning more practical knowledge of computers there. He became very interested in knowing more about computers. He talked to his parents about it and wanted to go for computer course while doing his higher secondary education. His mother is very soft hearted and always in a position to help her sons and daughter to fulfill their wishes.

In the following year, on the advice of Mr. Joykumar Singh, he appeared for an entrance test for the Diploma Course at Community Polytechnic, Takyel. His luck favored him to get the selection. He learnt diploma course in Computer
Education from Community Polytechnic, Takyel, Imphal. He also got his technical training from a private institute in Imphal from Sir. Ibomcha Singh. Sir Ibomcha Singh gave him the technical knowledge and told him about the upcoming future of Computer technology during his stay in Imphal. Sir Ibomcha Singh also explained about the dis-advantages of growing unemployment situation of Manipur to him. Mr. Inaocha was impressed by their motivation to open a Computer Centre at Kakching which will be very new to the rural people of the region. He also imagined the demand of the emerging technological service at Kakching. So, he started his plan of opening small computer service centre at his home at Kakching. With the increase in demand for such services, he started earning Rs. 100/- per day. By knowing the advantages of his work, his uncle gave him the opportunity to open a Centre at Kakching Bazar. Now, he owns a computer centre at Kakching Bazar. He gives service for printing, DTP works, photo editing, etc. as per the requirements of customers.

Work culture on Entrepreneurship Development

Organisation behaviour in team work represents a common perception held by the members of the organization. This feature was made explicit when we defined culture as a system of shared meaning. It is expected that individuals with different backgrounds or at different levels in the entrepreneurial unit should tend to work together for the development of their entrepreneurial activities.

Acknowledgment that organizational culture has common properties does not mean, however, that there cannot be subculture within any given culture. Most large entrepreneurial units have a dominant culture and numerous sets of subcultures. A dominant culture expresses the core values that are shared by a majority of the organisation’s members. Subculture tends to develop in large organizations to reflect common problems, situations, or experiences that members face. These subcultures are likely to be linked with their designations and geographical separation. The purchasing or selling members, for example, can have subculture that is uniquely shared by members of that entrepreneurial unit.
Case studies: Entrepreneur’s relationship with workers and customers

Mr. Yambem Satya Singh is an ambitious man. His father was a cultivator and his mother was a housewife. But his uncles were engaged in some business activities. Their uncles had run a tractor service for agricultural activities. His father thrives on agriculture, but he wanted to do something different and be on his own. He feels that real greatness consists of being the master of himself.

He was very much influenced by his uncles who engaged in business activities at Kakching Market. He had started a chicken hatchery under the name “Volga Hatcher” in the 1980’s. It was running good for some short period with one hatchery machine. Again he invested more and bought again one more hatchery. But the problem started for him as the eggs were supplied from Calcutta which sometimes got spoiled on the way and also not reproduce chicken from it. So there was heavy loss to him. He was frustrated and had debt from different financial sources where he had to pay high rate of interest. Later he took the advice from his uncles who run their business successfully. With the advice of his uncles, he sold out one acre of agricultural land and paid off all the debts. But he never stopped thinking of starting his business again. He started a ladies shoes factory at Kakching market with a few of the local ladies who were already experienced in shoes making. In the mean while, he started making furniture with the banner “Yambem Furniture” with some of the local carpenters. He allowed everyone to make whatever the customer demands. This time luck favoured him as his furniture products like chairs, tables, sofa set, almirah, clothes hangers, dinning table with new designs were sought after by the locality. He lived in Kakching Chumnang Leikai where people were traditionally involved in wooden furniture based business and fuel wood business. So, he too saw a scope of a healthy competition in this area of business. He could visualize the opportunity of exploring his creative talent in this field. His wooden furniture was creative and very competitive not only at Kakching Market but in the Imphal Markets too. He sold his products at different places of Manipur and received good response. He really worked hard to give his customers what they wanted and never compromised on quality.
The major problem Mr. Satya Singh faced initially while setting up his business was the arrangement of capital for starting his unit and the raw materials supplied to him because the wooden plank which they were using should be dried properly and preserved for the years so that it could meet the demands. This also enhanced the quality of products. He had to depend on banks and other financial institutions for financial assistance. He managed to overcome his fund constraints by being persistent. The problem of power supply was also another major hurdle in expanding his entrepreneurial activity.

Y. Satya Singh’s high ambition and desire for accomplishment has not stopped him at just this business. His wooden furniture unit is doing well and is tossing more profits. But his drive for more growth and success has enthused him to diversify into other areas of business. He started his own saw mill, from the profit of the existing wooden furniture business. He is utilizing his financial resource in the most optimum manner for the growth of his enterprises. Mr. Satya Singh, a simple man, who started from Volga Hatchery to Yambem Furniture, is a proud owner of his well established business today.

However, he keeps observing the customer behaviour and needs and tries to deliver the goods in the most effective way. Success has not stopped Mr. Satya Singh from putting his hard labour and keen interest.

He always associated himself with the social activities around especially in education and developmental works. He loves writing poem, short stories, etc. He is a man of different character.

**Work Culture**

Work culture is transmitted to employees in a number of forms, the most potent being story telling, rituals, material symbols, and language.

*Story telling*

Stories such as *Emoinu Ahongbi, Phunga Lairu, Henjuna, etc.*, circulate through many generations. They typically contain a narrative of events about the organisation’s founders, rule breaking, ways-to-success, reductions in the work
force, relocation of employees, reactions to the past mistakes, and organizational
adjustment. These stories anchor the present in the past and provide
explanations and legitimacy for current practices. The workers are motivated with
the phrases put forward by the entrepreneurs which have moral significance to
solidarity among them. It helps in breaking the personal gap in their work space
for organizing a friendly atmosphere among the workers. Some examples of the
picture which they kept in the working place are like the pictures of ‘Emoinu Ema
Leirembi’, ‘Ema Laxmi’, etc. representing the cultural values to them. They also
kept the picture with the words written in Meeteilon like ‘Nangonda
Nungairoudouba thabaktu Meidasu touruganu’ (meaning – Never do thing which
you feel not good to yourself), ‘Angam tannabada ngambatana thouna phabara?
Phattarea khanglabashingbu thadokpa ngamba – hendabara mashinabu thouna
phaba?’ (the central idea of the words is the essence and value of perseverance,
good manner and sacrifice in society) etc. This also has strong moral obligation
towards truthfulness and symbolizes the spirit of avoiding toward other’s
cowardness or weakness. In addition to this, they have put the audio recordings
of many Hindu and Meetei spiritual folk song and play in their working place. It is
mentioned that such practice indirectly brings the moral obligation towards their
duties and the spirit of oneness.

Rituals

Rituals are repetitive sequences of activities that express and reinforce the
key values of the organization- what goals are most important, which people are
important and which are dispensable, etc. Performing ritual ceremonies during
the yearly festivals like Vishwakarma Puja (Festival for the God of Tools and
Implements), Emoinu day (festival for Goddess of Wealth among the Meeteis),
Cheirouba (New Year of Meeteis), etc. enhance the working spirit among the
individuals in their working place. This symbolically represents the spirit of work
and moral obligation towards being a good human being as a part of society.
Most of the entrepreneurs mentioned that observing such pujas and rituals give
them a psychological relief from the potential threat like enmity among the
people. Rituals enhance the spirits of oneness as well as the feeling of defending themselves from the evil spirit and jealousy. The puja is performed by the local priest on the auspicious day at the starting of their entrepreneurial units. Such pujas and ritual reflect the value of self-respect among the worker and the entrepreneurs.

Moreover, they organize charity function for the betterment of their society in the name of Manipur statehood day, Meetei New Year day, etc. One of the best known ceremonies is the annual award meeting on the foundation day where the local students who have secured very high marks/grades in the Class X examination conducted by the Board of School Examination are felicitated. They also give awards or prizes to the up-coming sportsmen who have participated at various competitions.

In addition to this, sales men or workers are awarded based on their success in achieving sales quotas at every June of a year. This “show” acts as a motivator by publicly recognizing outstanding performance. Such ritual aspects reinforce personal determination and optimism, which enabled them to overcome personal hardships, to find his/her own entrepreneurial unit, and achieve material success. It conveys to entrepreneurs that reaching their target is important and that through hard work and encouragement they too can achieve success.

**Marketing Strategies**

The role of market is very crucial in developing any kind of entrepreneurial activities in the rural life of Manipur. Entrepreneurs are always depending on their local market for the small production from their entrepreneurial units. The growth and stability of their entrepreneurial activities depend on the demand for their products from the locality- from in and around the surrounding villages. Kakching is the main marketing centre for the surrounding villagers from Wabagai, Keirak, Tentha, Tekcham, Wangjing, Irengband, etc. From the surrounding villages, they also supply raw material for different entrepreneurial activities at Kakching. At the same time, these villages are also the customer for the finished products from such entrepreneurial units.
However, they also need good strategies of marketing for their products and changes of marketing networks with the Imphal businessmen. The change in marketing network takes place through a conscious effort to solidify an entrepreneur’s ideas into a marketing plan with a clear marketing strategy. The plan must be prior in place to start up, but it is subjected to change as competition occurs and the entrepreneurial activities grow. If the marketing information is accomplished with care, this helps in making good marketing decision. Here, it discusses the marketing responsibilities and marketing strategies specific to new venture in the rural areas of Manipur. For instance, Mr. Rameshwor Singh, who engaged with piggery unit at Mahadev Ching, Kakching, plans his business by seeing the marketing demand of pork (meat of pig) in the neighbouring villages and also from other districts like Ukhrul, Senapati, etc. He also considered the demand of piglets and matured pigs especially from Nagaland State and Mizoram State both for rearing and consumption. He established regular contact with his friends from Ukhrul district and Senapati district to supply pigs from his piggery. Now, he earns a decent income of 70,000/- per year from his piggery.

At Kakching, the most fundamental marketing consists of multitude activities that include decisions about the products or services, promotions, and methods of distribution. The entrepreneurs should work different activities for their business. The ultimate goal is to facilitate exchange between an enterprise and its customers. Marketing is the process of conceiving that exchange, and then accomplishing the tasks necessary to deliver the goods or services in a manner that satisfies customers for their business. It focuses the enterprise on a target market to fill a gap or create a niche. For example, Mr. Manglem Meetei, the proprietor of Kamdevo Silk work, explained that running an entrepreneurial activity is a very strenuous work. He has to look for the products which are in demand by the customers and also affordable by the common people. Sometimes, he wants to produce the finest products which will fetch higher price than the common products like Muga Phi, Muga Phanek, Muga Akapi, Eri Phi, etc. But he is not able to do the same as there are only few people who will by
such expensive products. So, he promotes to produce as per the demand of the customers.

Expected result are expressed in sales forecasts and operating budgets, but more importantly, they constitute the entrepreneur’s strategic marketing objectives. An allocation of resources reflects what an entrepreneurial unit has to use and the tactics employed to achieve results. Responsibilities are those activities required to implement a marketing plan. Control issues concern methods of feedback necessary to track performance. Feedback from the customers and the retailers provide planning information for future decisions in developing their entrepreneurial activities. Thus, the marketing plan solidifies the marketing strategy for customer’s needs, sales forecasts, and marketing objectives. Consequently, the marketing plan synthesizes market research and the entrepreneur’s strategy into a blueprint for action. The plan is implemented through a marketing program, which addresses the marketing activities.

**Case study: Need of sincerity and hard work in entrepreneurship development**

Ms. Tamu Devi is a 48 years old married lady entrepreneur of Kakching Sumak Leikai. From her childhood, she wanted to do something of her own. When she was 17 years old, she saw one of her aunt making tikei (traditional puja material for producing incense). She had an idea that the imported agarvati is comparatively costlier, then why not making a cheap and easily available agarvati made from the locally available raw materials. Some of the raw materials were easily available in the market and the investment required was also very minimal. This brought her the idea of earning a livelihood by making agarvati at home. At that time, she earned a profit of Rs. 800/- per month. She was doing her domestic work at home and sometimes engaged in agricultural works during the agricultural seasons.

She invested Rs.6000/- in her unit and employed two of her family members and started the unit. Gradually the unit grew in size and the neighbouring unemployed ladies were also employed in her unit. In the initial
years, she had problem of marketing. The local dealers used to come to her home and collect the agarbati. Most often she distributes the agarbati by herself by riding her scoter (Two wheeler). But with the increased in demand and advancement of time, more and more people came to her place to learn the making of agarvati. She gave training to many young boys and girls. She keeps changing her selling strategy like offering special discount on bulk purchase or to regular customers. She also started saving money for her workers.

She is aware of the present entrepreneurship development programme organized by the government. She enhances her business to compete the emerging marketing fight with the outside state imported agarvatis (branded Agarvati or Dhup). She has strong confidence to survive and grow to more heights. She likes to attribute her success to her strong will power and faith on God. She believes that sincerity and strong will power are the two significant aspects for an entrepreneur to develop their entrepreneurial activities.

From her childhood, she used to write poems, short stories. Some of her short stories had already published. She is not only an entrepreneur but also a social worker. She wants the young generation to have good education and serve the country. Most importantly, she wants to bring unity and solidarity among the different ethnic groups of the state. She also narrated her heart felt thanks to Late P.M. Indira Gandhi for her visit at such remote place like Kakching in Manipur.

**Distribution of the products and services for entrepreneurship development**

The entrepreneurs always look for new products and also try to provide good service to their customers. So, they identify their target customers well and their methods of distributions should be easily assessable to the local customers. In fact, the effective distribution strategies must be consciously selected ways to position their venture through market channels that match expectations of consumers with characteristics of products and services. So, different entrepreneurial units follow different networks of distribution of their products.
This becomes the ultimate responsibility of the entrepreneurs for entrepreneurship development to compensate the existing socio-economic environment of the region.

**Network of distribution of their products**

Production based entrepreneurial activities need a proper channel for its production. The adoption of appropriate channel for distribution of products enhance in marketing. It can be categorized as below:

1) **Producer – Customer:** This type of distribution of their entrepreneurial products is very common among the villagers. It is because of the reason that they have less production ratio compare with the urban dweller and the demands of their products are also less. So, the entrepreneurs themselves supply their products to the local people by traveling either by bi-cycle or with two wheelers. For instance, Mrs. Chaoba Devi who engaged with pickles and spices business goes daily in the morning and evening in their neighbouring locality for supplying of her products. She gives the facility of getting her product at her customer’s door step.

2) **Producer – Retailer – Customer:** This type of distribution channel of their products is common especially for piggery, poultry, dry fish fermentation, bamboo shoot fermentation, etc. It is due to the reason that the entrepreneurs cannot give direct service for selling out their product as most of their entrepreneurial activities need more labours. At the same time, it is also more risky to keep their products for long time. It may spoil within a short period. At the same time, any one from the locality can easily harm their activities by putting some poisonous materials like in poultry farm, piggery farm, etc. In order to avoid such inconveniences, these entrepreneurs supply out to their local retailers.

3) **Producer – Wholesales - Retailer – Customer:** This type of distribution is very less among the entrepreneurial activities in the rural areas like Kakching. It is required only for some bigger units like brick farms,
furniture units, etc. Besides this, they also provide direct selling to their customers.

It can be mentioned that some of the entrepreneurs have the facility to sell their products in bulk by giving discount to their wholesalers. But, most of the entrepreneurs carried out direct distribution of their products to their customers, for example, some entrepreneurs use hawkers or rickshaw pullers for selling their products.

**Promotion of their entrepreneurial activities**

The role of promotion is to facilitate exchanges between organizations and their customers. Commercial enterprises are concerned with attracting customers, professional services are concerned with informing clients about their services; and non-for-profit organizations must let their constituents know what they do. Different type of enterprises will have distinct promotional mixes utilizing a variety of promotional methods. The following are some of the effective promotional methods in the rural life in Manipur.

**Advertising**

Advertising is a form of impersonal broadcasting through commercial mass media. The pervasive type of promotional advertising because it is the one form that punctuates our daily lives. Advertising gives consciousness and certainly get their attentions through daily newspapers, radio, local cable networks, pasting picture in the public places, etc.

**Publicity**

In the rural area of Manipur, publicity is the most effective way of promoting marketing of their products. Publicity is the result of public service announcements or news generated through media, loud speaker or mike.

Entrepreneurs have many publicity opportunities. For example, sponsorship of community events and non-profit fund raising events usually carry an incentive for businesses. This incentive includes sponsorship public awards,
or having the firm’s name conspicuously displayed as a sponsor. Sponsoring a charity running event is also very common during the holi festivals (locally termed “Yaoshang” festival).

**Personal selling**

Personal selling is the most common promotional mechanism which is used by the entrepreneurs. It is the personal effort of an entrepreneur to convince a consumer that a purchase has fair exchange value for both parties. Personal selling can also be far more expensive than other methods of promotion, but it is often the most effective in the rural areas where people want to know their product in details.

**Participating in trade fair**

Modern way of promoting the product especially the new product is through participating in trade fairs. Trade fair is organized in collaboration with Department of Commerce and Industries every year at Khuman Lampak in Imphal. Many visitors from different areas of Manipur visited during the fair. They offer discounts on their sales. The Department of Commerce and Industries distribute prizes for encouragement in their fields. Later the selected entrepreneurs are sent to the Regional trade fair at Gawahati and those selected from North eastern Region participated Trade Fair held in Delhi for National Level.

Besides these, some voluntary organizations also organized various state level fair for specific categories like bamboo and cane products, water reeds products, indigenous food fair, etc. for the promotion various traditional products from Manipur.