My interest in this area of research was prompted by the desire to study the human element of economics. The role played by the entrepreneur as the core figure of the firm and the important factor underpinning the pattern of industrial development, has always been intriguing to me. Moreover, in my opinion, entrepreneurship holds the key to the rapid strides in industrial development taken by Gujarat. Gujarat has achieved a position of one of the leading industrially developed states of India and is being looked upon as having tremendous growth potentials.

This aroused my interest to examine the underlying entrepreneurial behaviour, which has been the dynamic and vital factor of production in the context of industrial development.

The prime movers of industrial development are the pioneering, enterprising, inventive and creative entrepreneurs who have the vision, the spirit and the ability to dream, create, build and sustain the innumerable enterprises which give thrust to the rapidly developing industrial economy. Many among these entrepreneurs are pioneers and have been rulers of industrial empires, but along with hundreds of such exceptional entrepreneurs, there exist several others, lesser known, ordinary, relatively smaller entrepreneurs, whose efforts, nevertheless contribute in no small measure to the overall industrial development of their region and country.

Entrepreneurship is a multi-disciplinary subject, in nature, that lends itself to analysis by various bodies of knowledge. The economic interpretation of the subject is, however very old. Beginning with the view of an entrepreneur as an ‘undertaker’ as expressed in the writings of Cantillon, he/she has been attributed with various functions and roles as diverse as innovator, arbitrageur, manager, risk-bearer, and uncertainty-bearer to organizer. Economic theory is resplendent with discussions as to who the entrepreneur is. However, less attention has been grasped by what the entrepreneur does. This study attempts to examine the crucial decisions and choices effected by the entrepreneur of small / medium size factory units.
The focus of the study is the entrepreneur operating in the urban small and medium enterprise sector. The private sector, forming the mainspring of industrial progress in Gujarat consists of numerous such entrepreneurs who are a formidable presence in terms of their contribution to the overall economic development of the region. Irrespective of whether more among them are innovators or organisers, market-makers or price-takers, profit-seekers or employers, understanding their decision-making and tendencies sheds interesting light on the factors influencing the industrial development of the region. This study attempts to analyse the entrepreneurial behavior in initiating and managing their enterprises, within the sphere of small and medium urban enterprises. Crucial decisions in terms of factors of production, investment choices, labour management, raw materials purchased, costs, gross output, marketing strategies, diversification and development prospects are examined in the perspective of industrial development.

The available data of SSI units registered with the Chief Inspector of Factories (CIF), Gujarat have been used for drawing the representative sample of Ahmedabad. This was specifically done, understanding that Ahmedabad being the foremost urban centre, industrially linked with similar centres of other states of the country.

This study seeks to achieve a better understanding of the decision-making among urban small and medium enterprises, within the framework of multiple group characteristics. The approach has been to identify and highlight entrepreneurial behaviour patterns without claiming to develop any comprehensive theoretical model.

The data have been analysed and the results are presented under the seven chapters as follows. The first chapter on ‘SMALL ENTERPRISES IN GUJARAT’ begins with presenting the role played by small enterprises that have been steadily growing and establishing themselves as an integral part of the state economy and discusses the structure of the factory units covered by the sample study. The second chapter on ‘ENTREPRENEURIAL INPUT’ presents the socio-economic background of the entrepreneurs. The entrepreneurial input is the most crucial input for any enterprise, as the basic initiative for setting up the unit comes primarily from this factor. The various forces responsible for shaping this input are identified. Some of the important facets
contributing to the pattern of entrepreneurial decision-making process are observed and highlighted. The third chapter on ‘DECISIONS ABOUT FACTOR USE’ discusses the factor use pattern as revealed by the various choices made by the entrepreneur as regards usage of capital, employment of labour, assets, liabilities and raw materials. The fourth chapter on ‘PRODUCTION LAYOUT’, covers aspects of the gross output and cost of production of the sample units. The fifth chapter examines the entrepreneurial ‘MARKETING STRATEGIES’. The marketing scope of the sample units, selling method practiced and mode of product introduction have been examined. The sixth chapter on ‘FUTURE GOALS AND PROSPECTS’ deals with the development programmes and prospects of the enterprises. The vision of the entrepreneurs regarding the future prospects and plans for their unit have also been examined. These strategies shed some light on the internal policies and decisions taken by entrepreneurs in small and medium enterprises in the urban industrial setup. The seventh chapter discusses the ‘STUDY LIMITATIONS, CONCLUSIONS AND FURTHER SCOPE’. Supplementary details regarding the contribution of Gujarat to the industrial economy are discussed in Appendix 1. An exploratory approach to examining entrepreneurial decision-making in terms of ‘Managerial Heuristics’ has been demonstrated in Appendix 2. The questionnaire / checklist canvassed to the sample entrepreneurs is attached as Appendix 3. Bibliographic numbering of references within the text represent their order in ‘References’ at the end of the thesis.

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