



ISSN: 0975-833X

## RESEARCH ARTICLE

### ENTREPRENEURSHIP DEVELOPMENT: A STUDY OF GRANITE CUTTING AND POLISHING IN ANANTAPUR, ANDHRA PRADESH, INDIA

Y. Sujatha\*, Prof. K. Prahlada Rao, P. Sunil Kumar Reddy and M. Narendranath Reddy

Department of Mechanical Engineering, J.N.T.U.A.C.E. Anantapur

#### ARTICLE INFO

##### Article History:

Received 09<sup>th</sup> December, 2011  
Received in revised form  
24<sup>th</sup> January, 2011  
Accepted 13<sup>th</sup> February, 2011  
Published online 31<sup>st</sup> March, 2012

##### Key words:

Small Scale Industry, Granite cutting and polishing units in Anantapur, Entrepreneurship development, Demographic variables.

#### ABSTRACT

Entrepreneurial competence makes all the difference to the rate of economic growth. Entrepreneurship Development has become important in achieving the goals of all around development in the Country. An entrepreneurs' initiative to start a unit is triggered by many factors both internal external factors. The granite cutting and polishing one such that exists industry that exists in the vicinity of almost all the major cities/towns through the country because of construction activities. This paper focuses on the factors responsible for setting up of granite cutting and polishing units as entrepreneurial units, problems faced by entrepreneurs in this industry and establishes that there is no significant relationship between Impetus Factors of Entrepreneurship and the demographic variables of entrepreneurs like Age, Sex, Educational qualification and previous occupation.

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#### INTRODUCTION

SSI means Small Scale industries, which is an industrial undertaking with the investment not exceeding Rs.100lakhs and machinery. In cases of auxiliary industries the investment ceiling on plant and machinery is also Rs.100lakhs. The role played by the small scale industry in the economic activity of advanced industrialized countries like Japan, Germany, Great Britain and the United States of America is significant. Many Nations, Both developing exteriorized that the small industry sector is a useful vehicle for growth, in the later for the creation of new employment opportunities on a wide scale in the shortest possible time. Small and Medium enterprises account for approximately 80 percent of the private sector industrial workers and hence occupy an important position in the industrial structure of Japan. The employment creating capacity of the small and medium enterprises in Japan has been seen to be larger than that Germany or United States. Small scale industries constitutes a major part of Indian economy. It plays a great role in the Indian economy in terms of creating additional employment with low capital investment and maintaining self-sustainability in various sectors of the economy. The typical characteristics of small scale industry Other than the level of investment and employment are the personal face of the organization and style of management. These kinds of organizations run in to maximum fifty to hundred in employment size and management is basically proprietary in nature. According to Ruddratt and K.P.M.Sundaram the small scale industries is classified in to two categories i.e. traditional and modern small scale

industries. The traditional industries Khadi and Handloom village industries, handicrafts, sericulture, coir, etc., Modern small scale industries provide wide range of goods from comparatively simple items of sophisticated products such as television sets, electronic control systems, various engineering products particularly as ancillaries to the large industries. The traditional sector is highly labor intensive and uses less of machine power. The industrial policy resolution states that the small scale industry provides immediate large scale employment; they offer a method of ensuring a more equitable distribution of the national income and they facilitate an effective mobilization of resources of capital and skill which might otherwise would have remained unutilized. Some of the problems that unplanned urbanization tends to create will be avoided by the establishment of small centers of industrial production all over the country. The Karvey committee suggests that the principle of self-employment is at least as important to a successful democracy as that of self-government.

The small enterprises create more employment per unit of capital employed due to low cost overheads, but in an efficient entrepreneurial environment it is not important to create another additional employment source but also to have an economic reason behind it i.e. make a profitable operation in a productive process. It is observed from the data provided by the annual survey of small-scale industries (1994-95) the productive capital per employee in large units is five to six times higher than in small units but the value added per unit of capital is higher in small industries.

\*Corresponding author: [ysujathareddy311@yahoo.com](mailto:ysujathareddy311@yahoo.com)

## Entrepreneurship Development

Entrepreneurs play a key role in the economic development of a country. Importance of development of entrepreneurship as an ingredient of economic development has been recognized a long time back. It was as early as 1950 that the need for entrepreneurial development was first felt and since then a substantial amount of research has gone into this sphere. Of late, entrepreneurship development has become extremely important in achieving the goals of all around development in the country. Consequently, many entrepreneurial opportunities are emerging in various fields. Be it electronic, medicine, engineering, agriculture, communication, atomic energy, telecommunication, food technology and packaging, entrepreneurial opportunities have surfaced at rapid pace in all these and many other areas. During the last two decades while rapid technological progress has made the production process more knowledgeable and/or capital intensive across a wide range of industries, limiting the creation of new employment opportunities particularly for the unskilled work forces, downsizing policies to the firms through mergers, acquisitions and other restructuring exercises have put the future of their existing employees at stake. Besides, in many cases, the lakhs of under and postgraduates also see the firms closing doors for them as they lack professional training, skill and the kind of orientation required to work in a competitive environment. This coupled with the problem of large and growing population has made the problem of unemployment a more acute one in many of the developing countries across the globe.

There are broadly two ways, which are usually suggested to tackle massive unemployment of human resources in an economy. The first one is to educate the youngsters through professional as well as not traditional methods/courses and prepare them to work in the competitive environment. The other one is to teach and train them to start their own venture and become self-reliant. The latter is nowadays considered to be a better option as it makes the individual financially self-dependent as well as adds to the economy's wealth creation process, paving the way to fast growth and development of the nation. Development of entrepreneurial skill and hence entrepreneurship, in addition to spread of professional education in growing economy like India, therefore, assume immense importance for its present as well as future growth prospects. In India, state and private entrepreneurship co-exist. The small-scale industrial sector and business are left completely to private entrepreneurs. Small-scale enterprise is a breeding ground for entrepreneurship. Conversely, that the rapid growth of small-scale sector is mainly due to the entrepreneurship development is also true. It is, therefore, in this context that an increasingly important role has been assigned for the identification and promotion entrepreneurs to this sector. Peter F Drucker, the well-known management expert, defines an entrepreneur as one who always searches for change, responds to it and exploits it as an opportunity. Entrepreneurs innovate and innovation is a specific instrument of entrepreneurship according to one definition that has emerged very recently, and entrepreneur is a person who senses opportunity for economic gain in the socioeconomic spheres around him and initiates activity leading to production/distribution/service, through interaction of men and materials. Entrepreneurship involves taking risks or

making investment under conditions of uncertainty and to innovate, plan and take decisions so as to increase production, productivity and profits. Growth oriented development is the cornerstone of entrepreneurs.

## ENTREPRENEURSHIP DEVELOPMENT PROGRAMME

Entrepreneurship development should be viewed a way of not only solving the problem of unemployment but also of overall economic and social advancement of the nation. Wide-scale development of entrepreneurship can help not only in generating self employment opportunities and thereby, reducing unrest and social tension amongst the unemployed youths but also in introducing small business dynamism, encouraging innovative activities and facilitating the process of balanced economic development. Entrepreneurship can be developed through appropriately designed programmes. A multitude of institutions at all levels in the private as well as public sectors have been rendering services through incentives, training and facilities for promotion of entrepreneurship. The National Alliance of Young Enterprises (NAYE), Small Entrepreneurial Development Institute of India (SEDI), National Institute of Entrepreneurship and Small Business Development (NIESBUD), Centre for Employment Development (CED), Integrated Rural Development Programme (IRDP), Prime Minister Rozgar Yojana (PMRY) Small Industry Development Bank of India (SIDBI), District Industrial Centre (DIC), National Employee's Board (NEB) Training of Rural youth and Self Employment (TRYSEM), Trade Related Entrepreneurship Assistance of Development (TREAD), Self Employment Programme for Educated Youth (SEPEY), Village and Khadi Commission (VKC), etc., are the various programmes for promoting entrepreneurship.

## Granite Cutting and Polishing industries in Anantapur

### Anantapur

District is bounded by The Cuddapah District, Chittoor District and Karnataka State border, Karnataka state and kurnool district in the East, south, west and north directions respectively. The major Rivers passing through the District are penna Chitravathi, Kunderu, Hagari. Granite and limestone industry in Tadipatri town appears to be in doldrums due to scarcity of raw material, government's loading restrictions on transport and unhealthy competition among granite unit managers. There are about 500 to 600 Kadapa slab units and 325 granite cutting machines in the industrial town of Tadipatri. The Kadapa slab polishing units get their raw materiel from Akireddipalle in Kurnool district which is 20 km from Tadipatri town. The Kadapa slab stone is the cheapest one and everyday about 50 truckloads of polished stones are exported to Rajashtan, Uttar Pradesh, Bihar and Orissa. The granite and Kadapa slab units, which are exporting their products complain that the State government's restrictions on loading and transportation is resulting in monetary losses as transportation of goods is not cost-effective. The granite unit owners are urging the government to remove the restriction of 16 tonnes in transportation of granite and polished stones. About 2,000 to 3,000 labourers are employed in the units and are working under hostile conditions in a polluted environment.

Marble polishing batti is an essential item in the marble and granite polishing industries. Now a days there is good market demand of granite and marble articles. Granite & marble are natural product, it is abundantly available in India. Exploring of the natural resources is one of the main work in our country. For processing of marble there is necessity of polishing instruments, by using polishing instruments, it will be looked like a glazed material for making marble polishing batti. Granite is the most important stone have a growing demand both in the domestic and overseas markets. India produces granite of innumerable varieties and colours such as black granite multicoloured granite, red granite, grey graphite and brown granite. There is good scope of this project. Any entrepreneur can come in this field

### Mineral Resources

The district has rich deposits of mineral resources like iron ore (12.0 million tones). Lime stone (cement grade 7.0 Mt), white shale and barrettes. The minerals available in the District are iron ore, Lime stone, Steatite, white clay & Natural clay, white shale, serpentine Dolomite, Green Quartz and Corundum.

### NEED FOR THE STUDY

Entrepreneurship development has been considered as the crucial in put for the economic development of the country and Entrepreneurship promotion and development have been identified as one of the main components of the nation's economic development strategy. Entrepreneurship development has increasingly become the focus of research. The review of work done on entrepreneurship development reveals that there has been no significant effort to study entrepreneurship development with reference to Granite cutting and polishing industries. The present study seeks to fill up this need and is likely to open further venues of probe in this regard.

### OBJECTIVES OF THE STUDY

1. To study the factors responsible for setting up of Granite cutting and polishing units as entrepreneurial units.
2. To study the problems faced by entrepreneurs in this industry.

### HYPOTHESIS

1. Impetus factors for Entrepreneurship are dependent on the demographic factors of entrepreneurs like Age, Sex, Educational Qualification and previous occupation.

### METHODOLOGY

#### SAMPLE DESCRIPTION

Granite cutting and polishing industry is increasingly assuming more importance with the phenomenal increase in the number of users as well as number of stones consumed in various ways. There is more scope for entrepreneurial opportunities. The market for the stones is not confined to a

particular area. But is spread over the country and outside. Rock quarrying has seen tremendous growth in the last decade or so. This is mainly because of growing urbanization, enormous demand for housing and the availability of rocky hills. As study is on Entrepreneurship development with reference to stone crusher industry, the entrepreneur of the industry constitutes the universe. And the entrepreneurs are unit surveyed for this research work. The sample for the study consists of 42 Granite cutting and polishing stone unit that were selected using Random sampling method. Out of 42 organizations majority (19) were established between 2005-2010, some (17) organizations were established between 1985-95 and few (6) organizations were established in between 1975-85. The ownership patterns revealed that enterprises are more or less equally distributed between sole proprietorship and partnership form of organization. Most of the enterprises (20) procured investment from partners, some (15) enterprises are self-financed, and few of them depend on commercial banks, co-operative societies and friends as a source of investment. Out of 42 respondents (entrepreneurs), all the respondents are Male. A majority of the entrepreneurs' (50%) age was between 30-40 years at the time of starting their organizations, some (35.8%) entrepreneurs' age was between 20-30 years and only (14.2%) entrepreneurs age was between 40-50 years.

### DATA COLLECTION

The data were collected using primary as well as secondary sources. Primary data was collected through the questionnaire designed for the study and through personal interviews. The questionnaire is structured into two parts – one dealing with entrepreneurial profile and the second one dealing with enterprise details. Additional information was procured by interviewing the respondents. The secondary sources for the study include magazines, journals, internet, etc.

### ANALYSIS

Data collected was analyzed using statistical tools. In order to examine the relationship between impetus factors of entrepreneurship and demographic factors chi-square test was used.

### IMPETUS FACTORS FOR ENTREPRENEURS

An entrepreneur's initiative to start a unit is triggered by many factors. The internal motivating factors like Education, Occupational experience, Family background, the desire to do something independently and the desire to branch out, together make the personality of the entrepreneur. The external factors like assistance from government, assistance from financial institutions, availability of technology/Raw material and other factors like demand of the particular product, utilization of excess money earned from contractual estate business, no chance for further promotion etc. These factors serve as a spark in the lightening of the entrepreneurial idea. In present study the following motivating factors are considered as impetus factors for entrepreneurs (see Table 1). From (Table 1) it is evident that, many respondents were inspired by relatives/ friends to start a unit. They played a major role in motivating the respondents to become an entrepreneur. This is

**Table 1. Impetus Factors for Entrepreneurs**

S. No.	Impetus Factor	No. of responses	Percentage (%)
A	Success stories of entrepreneurs.	15	35.7
B	Contacts with business people.	17	40.4
C	Lack of job opportunities.	13	30.9
D	Dissatisfaction of the previous job.	17	40.4
E	Fulfill father's ambition.	16	38.1
F	Inspiration of relatives/friends.	30	71.4
G	Gained necessary experience	16	38.1
H	The opportunity of starting an ancillary to a large unit.	14	33.3
I	To gain higher socio-economic status	13	30.9
J	Be an employer, never an employee	16	38.1
K	Have surplus funds.	17	40.4
L	Confidence gained by education/training under gone.	13	30.9
M	The support/assistance from the small industry development organisations.	20	47.6
N	The availability of infrastructure resources and market	26	61.9
O	The availability of skilled and trained man power	11	26.1

**Table 2. Influence of family members**

S. No	Influence	Total Score
1	Father	102
2	Mother	89
3	Brother	98
4	Spouse	112
5	Sister	70
6	Friends	170
7	In – Laws	69

**Table 3. Major difficulties faced by the units**

S. No	Difficulties	No of responses	Percentage
1	Procurement of materials	16	38.2
2	Procurements of machinery, tools and spare parts	3	7.1
3	Major breakdowns of the plant		
4	Repairs & maintenance of machinery		
5	Availability of labour	15	35.8
6	Transport		
7	Supply of power and water		
8	Marketing of products	1	2.3
9	Procurement of working capital	1	2.3
10	No problem	6	14.3

**Table 4. Relationship between Impetus Factors and Age (Observed Value Table)**

S. No.	Impetus Factor	Age		Total
		20-40	40-60	
A	Success stories of entrepreneurs.	8	5	13
B	Contacts with business people.	12	5	17
C	Lack of job opportunities.	8	4	12
D	Dissatisfaction of the previous job.	12	5	17
E	Fulfill father's ambition.	10	3	13
F	Inspiration of relatives/friends.	20	8	28
G	Gained necessary experience	8	4	12
H	The opportunity of starting an ancillary to a large unit.	11	3	14
I	To gain higher socio-economic status	9	2	11
J	Be an employer, never an employee	13	3	16
K	Have surplus funds.	9	7	16
L	Confidence gained by education/training under gone.	11	2	13
M	The support/assistance from the small industry development organisations.	13	4	17
N	The availability of infrastructure resources and market	17	7	24
O	The availability of skilled and trained man power	5	4	9
Total		166	66	232

quite obvious from the fact that (71.4%) 30 out of 42 respondents indicated this factor as the impetus factor to start an enterprise. In addition to this factor, availability of infrastructure, resources and market (61.9%) was also considered as the main driving force for many entrepreneurs. Some of the entrepreneurs attributed factors like assistance from small industry development (47.6%), contacts with

business people (40.4%), dissatisfaction with the previous job (40.4%), and having surplus funds (40.4%) as the motivating factors for entrepreneurship.

### INFLUENCE OF FAMILY MEMBERS

Both internal as well as external factors helped entrepreneurs establish and run their own enterprises. Family members

**Table 5. Relationship between impetus factors and educational qualifications of the entrepreneurs'. (Observed Value Table)**

S. No.	Impetus Factor	Educational Qualification		Total
		Up to Secondary	Graduation & Above	
A	Success stories of entrepreneurs.	7	7	14
B	Contacts with business people.	5	12	17
C	Lack of job opportunities.	4	7	11
D	Dissatisfaction of the previous job.	6	12	18
E	Fulfill father's ambition.	6	7	13
F	Inspiration of relatives/friends.	10	18	28
G	Gained necessary experience	3	10	13
H	The opportunity of starting an ancillary to a large unit.	7	7	14
I	To gain higher socio-economic status	4	11	15
J	Be an employer, never an employee	3	8	11
K	Have surplus funds.	8	9	17
L	Confidence gained by education/training under gone.	5	9	14
M	The support/assistance from the small industry development organisations.	5	10	15
N	The availability of infrastructure resources and market	9	17	26
O	The availability of skilled and trained man power	6	3	9
<b>Total</b>		<b>88</b>	<b>147</b>	<b>235</b>

**Table 6. Relationship between impetus factors and previous occupation of entrepreneurs. (Observed Value Table)**

S. No.	Impetus Factor	Previous Occupation of the entrepreneurs			
		Entrepreneur	Agriculture	Professional	Total
A	Success stories of entrepreneurs.	1	8	4	13
B	Contacts with business people.	3	11	3	17
C	Lack of job opportunities.	3	8	1	12
D	Dissatisfaction of the previous job.	3	10	4	17
E	Fulfill father's ambition.	1	8	4	13
F	Inspiration of relatives/friends.	5	16	7	28
G	Gained necessary experience	5	4	3	12
H	The opportunity of starting an ancillary to a large unit.	1	6	6	13
I	To gain higher socio-economic status	2	7	2	11
J	Be an employer, never an employee	3	11	1	15
K	Have surplus funds.	3	7	6	16
L	Confidence gained by education/training under gone.	0	10	3	13
M	The support/assistance from the small industry development organisations.	4	10	2	16
N	The availability of infrastructure resources and market	5	13	7	25
O	The availability of skilled and trained man power	1	5	3	9
<b>Total</b>		<b>40</b>	<b>134</b>	<b>56</b>	<b>230</b>

relatives and friends provided the support. Financial backing from friends and relatives and their support provided confidence to the entrepreneurs. From the table (See Table 2) it is evident that a majority of respondents were influenced by friends, followed by spouse, and few entrepreneurs were influenced by their fathers' From the table (see Table 3) it is evident that a majority of respondents (38.2%) have said that procurement of materials is a major concern. Most of the respondents (35.8%) have expressed the difficulty of availability of labour and few expressed that they have not encountered with any major problem in running the units.

#### **RELATIONSHIP BETWEEN IMPETUS FACTORS AND DEMOGRAPHIC VARIABLES (AGE, EDUCATIONAL QUALIFICATION AND PREVIOUS OCCUPATION):**

An attempt is also made to establish relationship between Demographic factors of the entrepreneurs and the impetus factors of the entrepreneurship. The Demographic factors selected for the purpose of study are Age, Educational Qualification and previous occupation. Chi-square values have been used to establish relationship between demographic

factors and impetus factors. Calculated chi-square values are compared with table value at 5% level of significance. If the calculated value is less than the table value, the null hypothesis, that the two variables under consideration are independent is confirmed. On the other hand if the calculated value is more than the table value, the hypothesis that the two variables tested are independent is refuted and the relationship is established. From the table (see table 4) it is clear that the calculated chi-square value (6.36) is less than the table value (23.68), we accept the null hypothesis that the Impetus factors and the age of entrepreneurs are independent to each other. It can be concluded that there is no significant relationship between the two variables.

#### **RELATIONSHIP BETWEEN IMPETUS FACTORS AND EDUCATIONAL QUALIFICATIONS OF THE ENTREPRENEURS'**

As the calculated value is (9.462) is less than the table value (16.918) (see Table 5), the null hypothesis ( $H_0$ ) is accepted. It implies that Impetus factors of entrepreneurship do not significantly vary with educational qualifications of entrepreneurs.

## RELATIONSHIP BETWEEN IMPETUS FACTORS AND PREVIOUS OCCUPATION OF ENTREPRENEURS

We accept null hypothesis ( $H_0$ ), that is the Impetus factors and previous occupations of the entrepreneurs are independent to each other, since the calculated value of chi-square is less than the tabulated value (see Table 6).

## FINDINGS

The present study focuses on the impetus factors for entrepreneurs that are responsible for the success of an entrepreneurship, problems faced by the entrepreneurs in Granite cutting and polishing industry. An attempt is made to establish relationship between demographic variables and impetus factors of the entrepreneurs. The demographic factors selected for the study are age, Educational Qualifications, and Previous Qualifications. Chi-square values have been used to establish the relationship.

1. It is found that most of the entrepreneurs were inspired by relatives/friends to start a unit. In addition to this factor, availability of infrastructure, resources and markets was also considered as the main driving forces for many entrepreneurs.
2. Financial backing and support was provided by friends and relatives, which in turn helped the entrepreneurs to run their business successfully.
3. Most of the entrepreneurs expressed that procurement of raw materials and availability of labour is a major concern
4. It is identified that there is no significant relationship between demographic variables (Age, Educational Qualification, and previous occupation) and impetus factors.
5. 5 .Many of the entrepreneurial units have undergone changes and improvements in their design and technology used

## SUGGESTIONS

In spite of different measures and initiatives undertaken by the government, keeping in view of increasing significance of entrepreneurship in the economic development of the country, the government has to increase its emphasis and encourage entrepreneurship.

1. 1.Many people are not aware of the entrepreneur opportunities available. Though the government is offering different types of incentives and assistance, still many people are in the dark. There is a dire need to create awareness about entrepreneur opportunities and entrepreneurial assistance available.

2. Entrepreneurs need guidance right from the formulation of the project till its implementation in addition to financial assistance, training place a vital role in initiating and accelerating the process of entrepreneurial development.
3. 3. Wide publicity should be given about the financial assistance and other incentives that are offered by the government.
4. The cumbersome formalities involved in processing financial assistance and obtaining license have to minimize to encourage entrepreneurship.
5. 5.The enterprises in Granite cutting and polishing industry face heavy dust and noise pollution and appropriate measures for dust collection and suppression are not generally undertaken by many units because of which the labour are afflicted by cough and pausing damage environment.
6. Widespread awareness and education is required to enable rock mining operations to be environment friendly.

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