

1.Introduction to Management & Entrepreneurship

1.1 Definitions: Management,

Industrial Management is the organizational process that includes strategic planning, setting; objectives, managing resources, deploying the human and financial assets needed to achieve objectives, and measuring results.

Management is also called as the art of getting work done through people ,with satisfaction of Employer, Employees and the Public.

Organization

Organization is the function of putting together the different parts of an enterprise into working order.

Organisation is a structure of relationship among individuals working together for a common goal.

Administration

Administration is defined as the group of individuals who are in charge of creating and enforcing rules and regulations, or those in leadership positions who complete important tasks.

Entrepreneurship.

Entrepreneurship is the process of designing, launching and running a new business, which is often initially a small business.

Entrepreneurship refers to the process of creating a new enterprise and bearing any of its risks, with the view of making profit.

Proprietorship

Proprietorship is a business structure in which an individual and his/her company are considered a single entity for tax and liability.

A **proprietor** is an individual who owns a business establishment or sole **proprietorship**.

Partnership

A **partnership** is a form of business where two or more people share ownership, as well as the responsibility for managing the company and the income or losses the business generates.

Partnership is a legal form of business operation between two or more individuals who share management and profits.

Partnership is a business organization in which two or more individuals pool money, skills, and other resources, and share profit and loss in accordance with terms of the partnership agreement.

Joint stock co.

A **joint-stock company** is a business entity in which **shares** of the **company's stock** can be bought and sold by shareholders.

Definition of joint-stock company

: a company or association consisting of individuals organized to conduct a business for gain and having a joint stock of capital represented by shares owned individually by the members and transferable without the consent of the group

1.2 Co-operative Sector

Cooperative sector industries are owned and managed by a group of people. Generally the members are the producers of raw materials. Examples of such **industries** are handloom, food processing and dairy products.

Co-operative Sector is that organisation which is formed by persons who want to work voluntarily for the welfare of society or weaker section on a no loss no profit basis through co-operation of each other.

"Literally, Co-operation means working together. To be more appropriate, we may define Co-operation as acting together to accomplish the common goal through Co-operative principles". Likewise, Co-operative society may be defined as an organisation of individuals with small means, formed for running in common of business, the profits being shared in accordance with the amount of labour or capital contributed by each.

Co-operative Sector works for weaker Section of Society mainly.

Advantages of Co-operative Sector

- (i) Daily necessities of life can be made available at lower rates.
- (ii) It is the democratic form of ownership.
- (iii) Overheads are reduced as members of the cooperative may render honorary services.
- (iv) It promotes cooperation, mutual assistance and the idea of self-help.
- (v) The chances of large stock-holding (hoarding) and black marketing are eliminated.
- (vi) No one person can make huge profits.
- (vii) Common man is benefited by cooperatives.
- (viii) Monetary help can be secured from government.
- (ix) Goods required can be purchased directly from the manufacturers and therefore can be sold at less rates.

Limitations of Co-operative Sector or Disadvantages

Disadvantages

- (i) Since the members of the cooperative manage the whole show, they may not be competent enough to make it a good success.
- (ii) Finance being limited, specialist's services cannot be taken.
- (iii) Conflict may arise among the members on the issue of sharing responsibility and enjoying authorities.
- (iv) Members who are in position may try to take personal advantages.
- (v) Members being in services may not be able to devote necessary attention and adequate time for supervising the works of the cooperative enterprise.

Application of Co-operative Sector

Sugar Mill, Products related to milk, Vegetable purchasing and selling, Handloom, Products of artisans Collecting and Selling etc., Agriculture Products

Public Sector

A **Public Sector Undertaking**, known as PSU, is a company in which majority of the stake (more than 50%) is owned by the Government.

Advantages or Merits of Public Sector

Merits of Public Sector

Public sector helps in the growth of those industries which require huge amount of capital and which cannot flourish under the private sector.

Public sector helps in the implementation of the economic plans and enables them to reach the target of achievement within a prescribed period by taking initiative in the establishment of industries of its own accord.

Due to the absence of profit motive in the public sector, the consumers are benefitted by greater, better and cheaper products.

Public enterprise prevents the concentration of wealth in the hands of a few and paves the way for equitable distribution of wealth among different sections of community.

Public enterprise encourages industrial growth of under-developed regions in the country.

Profits earned by public sector may be used for the general welfare of the community.

Public sector offers equitable employment opportunities to all ; there is no discrimination, as may be in a private sector.

Capital, raw material, fuel, power and transport are easily made available to them.

Limitations of Public Sector

Public sector can rarely attain the efficiency of a private enterprise ; wastage and inefficiency can seldom be reduced to a minimum.

- (2) Due to heavy administrative expenses, state enterprises are mostly run at a loss leading to additional burden of taxation on the people.
- (3) There is too much interference by the Government and Politicians in the internal affairs of the public enterprises. As a result inefficiency increases.
- (4) Delay in decisions is a very common phenomena in public enterprises.
- (5) Incompetent persons may occupy high levels.
Workers (unlike in private concerns) shirk work.

Application of Public Sector

Power Sector like NTPC, Banks like State Bank of India, Steel Factory like SAIL, Telecommunication like BSNL.

Government Undertaking or Organisations

The organisations are organised like any other Government Department.

- 1) It is managed by the officials of the government . Secretary of the Ministry concerned is the Head of this organisation.
- 2) It may be managed by different Ministries of government.

Advantages of Government Undertaking or Organisations

- 1) Because of control of government , it is easy to achieve economical and social objectives
- 2) Because of government control complete secrecy can be maintained for example Defence Sector

Limitations of Government Undertaking or Organisations

- 1) Due to control of govt. officials, decisions are not taken quickly
- 2) Government employee has to work with certain rules and regulations.
- 3) Lack of initiatives is seen in government officials because promotions are based on seniority not on merit basis.

Application of Government Undertaking or Organisations

Railway, defence factories like Ordnance factory, Research Organisations

Private Sector

The **private sector** is the part of a country's economic system that is run by individuals and companies, rather than the government. Most **private sector** organizations are run with the intention of making profit.

Advantages of Private Sector

- (i) The magnitude of profits incurred is high.
- (ii) The efficiency of the private enterprise is high.
- (iii) Wastage of material and labour is minimum.
- (iv) Decision-making is very prompt.
- (v) There is no interference in its internal affairs by politicians or Government.
- (vi) Competent persons occupy high levels.

Limitations of Private Sector

- (i) There is exploitation motive, the workers and the consumers may not receive fair deal.
- (ii) There is dearth of capital to expand the business.
- (iii) Private enterprise leads to concentration of wealth in the hands of a few.
- (iv) Private enterprises lead to unbalanced growth of industries.

Application of Private Sector

Nearly all type of industries

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1.3 Types of Organization:

Line,

Functional, line & staff organization,

Line, Military or Scalar Organisation.

Functional Organisation.

Line and Staff Organisation.

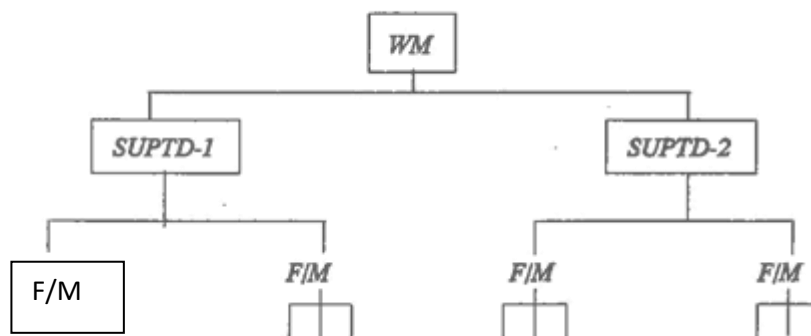
3.11.1. Line, Military or Scalar Organisation

It is the simplest form of organisation structure, (Fig. 3.5).

It was called military organisation because it resembled to olden military organisations.

Line organisation is based upon relative authority and responsibility rather than on the nature and kind of operation or activities.

The authority flows directly from the Works Manager (WM) to Superintendent to Foremen (F/M) and from them to workers.



Advantages

It is simple and easy to understand.

It is flexible: easy to expand and contract.

(iii) It makes clear division of authority.

(iv) There is clear channel of communication, with no confusion at all.

(v) It encourages speedy action.

(vi) It is strong in discipline as it fixes responsibility on an individual.

Limitations

It neglects specialists.

It overloads a few key executives.

(iii) It requires a high type of supervisory personnel to meet the challenges imposed in the absence of specialists as advisors.

It is limited to very small concerns.

It encourages dictatorial way of working.

(vi) In line organisations provisions are seldom made to train, develop and replace top executives.

(vii) Due to lack of specialisation perhaps there is more wastage of materials and manhours.

Applications. Line organisation is suitable for,

small concerns free from all complexities; and

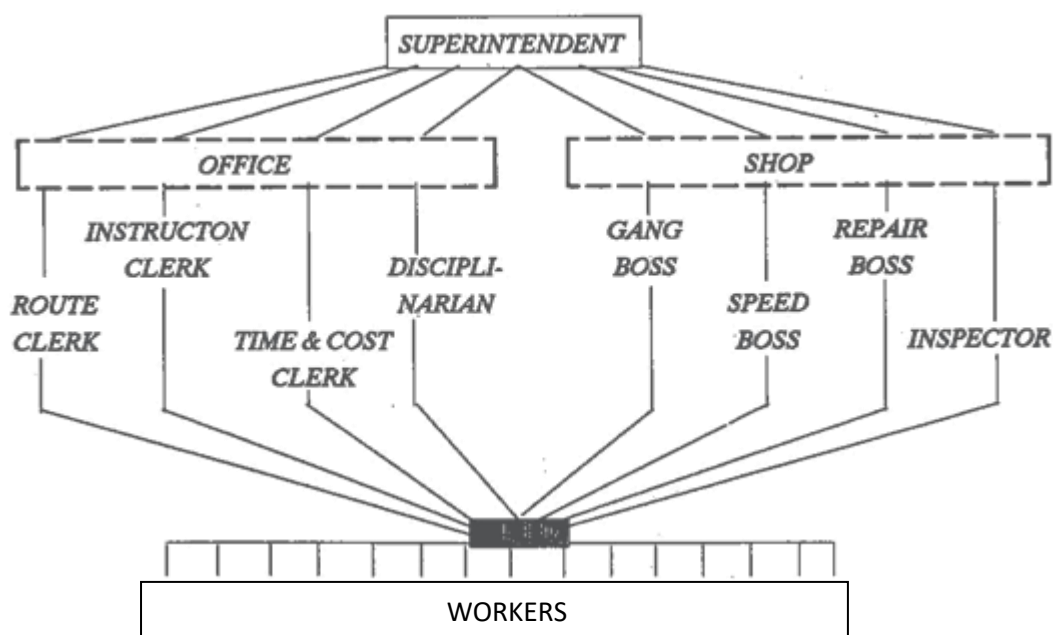
automatic and continuous process industries such as paper, sugar, textile, etc.

3.11.2. Functional Organisation (Fig. 3.6)

F.W. Taylor suggested functional organisation because it was difficult to find all-round persons qualified to work at middle management levels in the line organisation.

Functional organisation is also a line type of organisation with the difference that instead of one foreman (which being master or specialist of everything and therefore hard to find) there are eight functional foremen; four of them located on the shop floor and remaining four in the office, but everyone having direct and equal authority over the workers.

Each functional foreman who is a specialist in an activity is incharge of one function, *e.g.*



1. **Route clerk** or order of work and route clerk was in charge of issuing work orders and routing the jobs.
2. **Instruction clerk** would issue specifications and instructions related to jobs to the workers.
3. **Time and cost clerk** keeps records pertaining to the time (the workers have spent in doing work) and cost (i.e., worker's wages etc.)
4. **Disciplinarian** keeps personal records of the workers and handles cases of insubordination.
5. **Gang boss** has the charge of the preparation of all work up to the time that the work piece is set in the machine.
6. **Speed boss** ensures that proper cutting tools are being used, cut is started at right place in the workpiece, and the optimum speeds, feeds and depths of cut are being employed.
7. **Repair boss** is responsible for adequate repairs and maintenance of equipment and machinery.
8. **Inspector or Inspection boss** looks after and is responsible for the quality of the product.

Advantages of Functional Organisation

1. Since a foreman is responsible for one function, he can perform his duties in a better manner.
2. Functional organisation makes use of specialists to give expert advice to workers.
3. It relieves line executives of routine, specialised decisions.
4. Expert guidance reduces the number of accidents and wastage of materials, man and machine hours.
5. It relieves pressure of need to search a large number of all-round executives.
6. Quality of work is improved.

Limitations of Functional organisation

1. Coordination of the efforts of various functional foremen is difficult.
2. It is difficult to maintain discipline as each worker is responsible to eight foremen.
3. It is very difficult to fix up the responsibility to any one foreman in case something goes wrong.
4. Workers always remain confused about the authority and activity of each foreman.
5. It makes industrial relationships more complex.
6. Workers are not given opportunity to make use of their ingenuity, initiative and drive.
7. All-round executives cannot be developed.

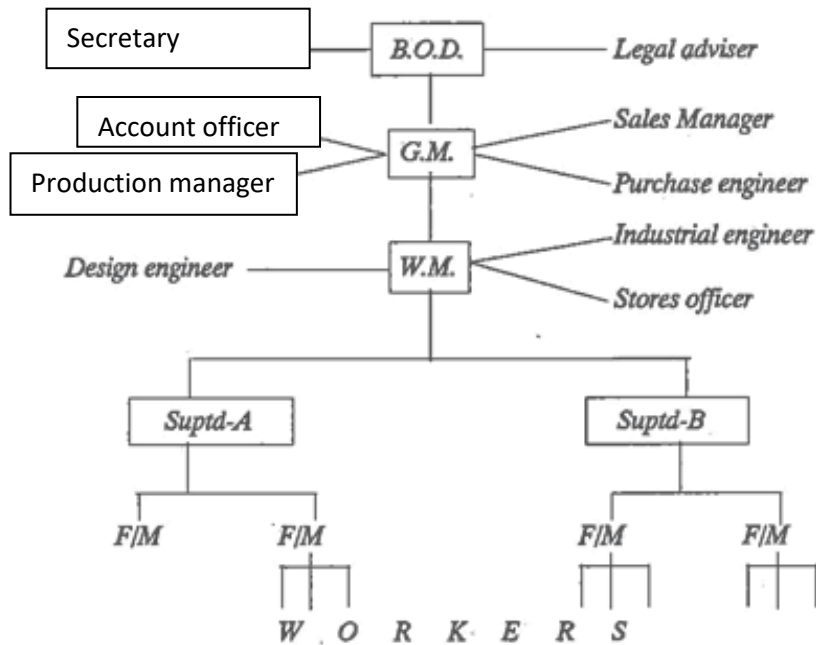
Applications. For these reasons (disadvantages), the functional organisation as such is obsolete ; however in the modified form, employing the principles explained above, it is frequently used in some most modern and advanced concerns.

3.11.3. Line and Staff Organisation

The line organisation gradually developed to shape as the line and staff organisation ; Taylor's functional organisation hastened its development.

As the industry grew in size and complexity, the line executives could not perform properly all other functions (besides looking after production) such as R & D, planning, distribution, legal, public relations, etc. This necessitated the employing of special executives to assist line executives and they were known as *staff* as they were recruited to perform staff or specialist functions.

The line executives retain supervisory authority and control over the work of their subordinates whereas the staff executives relieve line executives of certain specialised work and advise them on matters referred to them.



B.O.D. : Board of Directors

G.M. : General Manager

W.M. : Works Manager

Suptd. : Superintendent

F/M : Foreman

Fig. 3.7. Line and staff organisation.

1. Product cost will increase because of high salaries of staff executives.
2. At times the staff department may infringe upon the rights and responsibilities of the line organisation, thus weakening the line organisation when its (i.e., staff department's) true function is to strengthen this organisation.
3. Line and staff organisation may get confusion in case functions are not clear.
4. Frictions and jealousies if developed between line and staff executives may cause harm to the
5. Line executives if they start depending too much on staff executives may lose their initiative, drive

The final decision whether to accept and implement the recommendations of the staff executive remain in the hands of the line executive.

Fig. 3.7 shows a line and staff organisation. The line executives are marked vertically whereas staff executives are placed horizontally.

A variation of line and staff organisation is **Line and Functional Organisation** in which the staff or specialist executive has full authority (i.e., a higher degree of authority than in a line and staff organisation) over his particular function which may be inspection, work study, purchasing, employment, etc.

Advantages of Line and Staff Organisation

1. Expert advice from specialist staff executives can be made use of.
2. Line executives are relieved of some of their loads and are thus able to devote more attention
3. Less wastage of material, man and machine hours.
- Quality of product is improved.
- There is no confusion as exists in functional organisation.

6. Line and staff organisation possesses practically all the advantages of both the line and functional organisations.

Limitations

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1.4 Functions of Management: -

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15.25. FUNCTIONS OF MANAGEMENT

One way to look at the process of management is to identify the (basic) functions which together make up the process.

Since some functions are basic to managerial activities at all levels from the foreman to the manager, they are applicable to all business enterprises.

Though Fayol, Urwick, Davis, Koontz and O'Donnel have specified different number of management functions, the author feels that the following eight functions may be used to describe the job of management.

1. Forecasting

Forecasting is a necessary preliminary to planning.

Forecasting estimates the future work or what should be done in future; may be as regards Sales or Production or any other aspect of business activities.

Forecasting begins with the sales forecast and is followed by production forecast and forecasts for costs, finance, purchase, profit or loss, etc.

2. Planning

Planning all aspects of production, selling, etc., are essential in order to minimise intangibles. Planning is a process by which a manager anticipates the future and discovers alternative courses of action open to him.

Planning is a rational, economic, systematic way of making decisions today which will affect the future e.g., what will be done in future, who will do it and where it will be done.

In fact, every managerial act, whether it be mental or physical, is inexorably intertwined with planning.

Without proper planning, the activities of an enterprise may become confused, haphazard and ineffective; for example if a refrigerator making concern does not plan in advance—how many refrigerators and of what capacities are to be made before the summer starts and thus it does not procure necessary material, tools, supplies and personnel in time, it cannot reach the production targets and hence may not run profitably.

Prior planning is very essential for utilizing the available facilities (men, materials, machines etc.) to the best of advantage.

3. Organising

Organising is the process by which the structure and allocation of jobs is determined.

Organising involves determining activities required to achieve the established company objectives, grouping these activities in a logical basis for handling by subordinate (persons), managers, and finally, assigning persons to the job designed. In carrying out the above, the manager will delegate necessary authority to his subordinates (persons) and they, in turn, will take the necessary responsibility.

Organising means, organising people, materials, jobs, time etc., and establishing a framework in which responsibilities are defined and authorities are laid down.

4. Staffing

Staffing is the process by which managers select, train, promote and retire their subordinates.

Staffing involves the developing and placing of qualified people in the various jobs in the organisation.

Staffing is a continuous process. The aim is to have appropriate persons to move into vacated positions or positions newly created in the enterprise.

5. Directing

Directing is the process by which actual performance of subordinates is guided towards common goals of the enterprise.

Directing involves motivating, guiding and supervising subordinates towards company objec-

Directing thus includes:

- (i) Giving instructions to subordinates.
- (ii) Guiding the subordinates to do the work.
- (iii) Supervising the subordinates to make certain that the work done by them is as per the plans established.

Directing involves functions such as

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a) Leadership b) Communication c) Motivation d) Supervision

(a) Leadership

Leadership is the quality of the behaviour of the persons (Managers) whereby they inspire confidence and trust in their subordinates, get maximum cooperation from them and guide their activities in organized effort.

Leadership is more than personal ability and skill.

(b) Communication

Communicating is the process by which ideas are transmitted, received and understood by others for the purpose of effecting desired results.

Communication may be verbal or written orders, reports, instruction, etc.

A manager communicates to his subordinates as what they should do.

An ineffective communication leads to confusion, misunderstanding, dissatisfaction and sometimes even strikes.

(c) Motivation

- Motivating means inspiring the subordinates to do a work or to achieve company objectives effectively and efficiently.

(d) Supervision

- Supervision is necessary in order to ensure,
 - (i) that the work is going on as per the plan established, and
 - (ii) that the workers are doing as they were directed to do.

6. Coordinating

Coordinating means achieving harmony of individual effort towards the accomplishment of company objectives.

In other words, the dovetailing and harmonising of all the company assets and employees into a coherent whole is known as *coordination*.

Ineffective coordination between different functions of a business enterprise (such as production, sales, administration, etc.) can ruin the enterprise.

Coordination involves making plans that coordinate the activities of subordinates, regulate their activities on the job and regulate their communications.

Besides other factors, informal relationships within an organization also tend to facilitate coordination, because workers who like each other outside the factory, prefer to work together on the job also.

(7) Controlling

Controlling involves

- (i) the monitoring of programme activities to make sure that end objectives are being met.
- (ii) the initiation of corrective action as required to over-come problems, if any, hindering the accomplishment of objectives.

Checks and examinations are required on a periodic basis to ensure that the things are proceeding as per plans established.

Controlling is necessary to ensure that orders are not misunderstood, rules are not violated and objectives have not been unknowingly shifted. Control means control of persons and other things.

Controlling is a continuous process which measures the progress of operations, (compares) verifies their conformity with the predetermined plan and takes corrective action, if required.

As explained above, controlling, process

- (i) Sets standards,
- (ii) Measures job performance, and
- (iii) Takes corrective action, if required.

8. Decision Making

Decision making is the process by which a course of action is consciously chosen from available alternatives for the purpose of achieving desired results.

An outstanding quality of a successful manager is his ability to make sound and logical decisions.

Management decisions range from establishing consumer operational development needs to the selection of a preferred system design configuration to many other aspects of a business enterprise.

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1.5 Principles of management,

Principles of Management – Fayol's 14 Principles

- Division of Work – This principle of management is based on the theory that if workers are given a specialized task to do, they will become skillful and more efficient in it than if they had a broader range of tasks. Therefore, a process where everyone has a specialized role will be an efficient one.
- Authority – This principle looks at the concept of managerial authority. It looks at how authority is necessary in order to ensure that managerial commands are carried out. If managers did not have authority then they would lack the ability to get work carried out. Managers should use their authority responsibly and ethically.

- Discipline – This principle relates to the fact that discipline is needed within an organization for it to run effectively. Organizational rules, philosophies, and structures need to be met. In order to have disciplined workers, managers must build a culture of mutual respect and motivation.
- Unity of command – There should be a clear chain of command in place within an organization. An employee should know exactly whose instructions to follow.
- Unity of direction – Work should be organized in a way that means employees are working in harmony toward a shared objective or goal using a shared method or procedure.
- Subordination individual interests to the collective interests – The interests of the organization as a whole should take precedence over the interests of any individual employee or group of employees. This encourages a team spirit and collective mentality of all for one and one for all.
- Remuneration – In order to motivate and be fair to employees, they should be paid a reasonable rate for the work they carry out. An organization that underpays will struggle to attract quality workers who are motivated.
- Centralization – This principle relates to whether decisions should be made centrally, as in from the top down, or in a more democratic way, from the bottom up. Different decision making processes are appropriate for different types of decisions.
- Scalar chain – This relates to the principle of a clear chain of communication existing between employees and superiors. The chain should be respected, unless speedy communication is vital, in which case the chain may be bypassed if all parties consent.
- Order – This relates to the proper use of resources and their effective deployment in a structured fashion.
- Equity – Managers should behave ethically towards those they manage. Almost every organization in the modern world will have a written set of policies and procedures which will outline exactly what is expected from staff at all levels.
- Stability of tenure of personnel – It is seen as desirable within an organization to have a low staff turnover rate. This is due to the benefits that come with having experienced staff and the time and expense needed to train new ones. There should be a clear and efficient method of filling any staff vacancies that arise.
- Initiative – Employees that have an input as to how to best do their job are likely to feel more motivated and respected. Many organizations place a great deal of emphasis on listening to the concerns of staff.
- Morale – Keeping a high level of morale and team spirit is an essential part of having the most productive organization possible. Happy and motivated employees are far more likely to be productive and less absent.

Levels of Management

1. Top Management.
2. Upper Middle Management.
3. Middle Management.
4. Lower Management (Foremen etc.)
5. Operating force or Rank and File workman.

1. Top Management

- *Top Management includes*
- (a) Board of Directors.

- (b) Managing Directors.
- (c) Chief Executives.
- (d) General Managers.
- (e) Owners.
- (f) Share-holders/Financiers.
- *Top Management Functions are*
- (a) Setting basic goals and objectives.
- (b) Expanding or contracting activities.
- (c) Establishing policies.
- (d) Monitoring performance.
- (e) Designing/Redesigning organization system.
- (f) Shouldering financial responsibilities, etc.

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Upper Middle Management level

- *Upper Middle Management includes*
- (a) Sales executive (Manager).
- (b) Production executive.
- (c) Finance executive.
- (d) Accounts executive.
- (e) R & D executive.
- *Upper Middle Management Functions are*
- (a) Establishment of the organization.
- (b) Selection of staff for lower levels of management.
- (c) Installing different departments.
- (d) Designing operating policies and routines.
- (e) Assigning duties to their subordinates, etc.

3. Middle Management

– *Middle Management includes*

- (a) Superintendents.
- (b) Branch Managers.
- (c) General Foremen, etc.

– *Middle Management Functions are*

- (a) To cooperate to run organization smoothly.
- (b) To understand interlocking of departments in major policies.
- (c) To achieve coordination between different parts of the organization.
- (d) To conduct training for employee development.
- (e) To build an efficient company team spirit.

4. Lower Management

– *Lower Management includes*

- (a) Foremen.

(b) Supervisors or charge-hands.

(c) Office superintendent.

(d) Inspectors, etc.

– *Lower Management Functions are*

- (a) Direct supervision of workers and their work.
- (b) Developing and improving work methods and operations.
- (c) Inspection function.
- (d) Imparting instructions to workers.
- (e) To give finishing touch to the plans and policies of top management.
- (f) To act as a link between top management and the operating force (i.e., workers).
- (g) To communicate the feelings of workers to the top management.

5. Operating Force

– *Operating Force includes*

- (a) Workers, rank and file workman, skilled, semi-skilled and unskilled.

– *Operating Force Functions are*

- (a) To do work on machines or manually, using tools, etc.
- (b) To work independently (in case of skilled worker) or under the guidance of supervisor.

1.6 Entrepreneurship: Concept,

Concept of Entrepreneurship

Before proceeding further, let us first understand the concept of entrepreneurship and its importance to the economy. An entrepreneur is the sole owner and manager of his business. Actually, the word translates to “the one who undertakes” in French.

From an economics point of view, an entrepreneur is the one who bears all the risk of a business. And in return, he gets to enjoy all of the profits from the business as well. While understanding the concept of entrepreneurship we will also learn about the importance of entrepreneurs in the economy. They bring in new goods, services, technologies etc. to the market.

Types of Entrepreneur

a)According to type of business

- 1.BusinessEntrepreneur
- 2.Trading Entrepreneur
- 3.Industrial Entrepreneur –Large Scale, Medium Scale, Small, Scale
- 4.Agricultural Entrepreneur-Plantation, Horticultural, Dairy, Forestry
- 5.Retail Entrepreneur
- 6.Service Entrepreneur

According to use of technology

- 1.Technical Entrepreneur
- 2.Non-technical Entrepreneur
- 3.ProfessionalEntrepreneur
- 4.High Tech Entrepreneur
- 5.Low Tech Entrepreneur

According to the scale of operation

- 1Small scale 2.Medium Scale

According To area

- 1.Urban Entrepreneur 2.Rural Entrepreneur

According to stages of development

- 1.First generation Entrepreneur
- 2.Modern Entrepreneur
- 3.Classical Entrepreneur

According to other type

1. Traditional Entrepreneur
- 2.Skilled Entrepreneur
- 3.Non-skilled Entrepreneur
- 4.Inherited Entrepreneur
- 5.BureaucraticEntrepreneur
- 6.Immigrant Entrepreneur

Characteristics of Entrepreneur,

1. Disciplined

These individuals are focused on making their businesses work, and eliminate any hindrances or distractions to their goals. They have overarching strategies and outline the tactics to accomplish them. Successful entrepreneurs are disciplined enough to take steps every day toward the achievement of their objectives.

2. Confidence

The entrepreneur does not ask questions about whether they can succeed or whether they are worthy of success. They are confident with the knowledge that they will make their businesses succeed. They exude that confidence in everything they do.

3. Open Minded

Entrepreneurs realize that every event and situation is a business opportunity. Ideas are constantly being generated about workflows and efficiency, people skills and potential new businesses. They have the ability to look at everything around them and focus it toward their goals.

4. Self Starter

Entrepreneurs know that if something needs to be done, they should start it themselves. They set the parameters and make sure that projects follow that path. They are proactive, not waiting for someone to give them permission.

5. Competitive

Many companies are formed because an entrepreneur knows that they can do a job better than another. They need to win at the sports they play and need to win at the businesses that they create. An entrepreneur will highlight their own company's track record of success.

6. Creativity

One facet of creativity is being able to make connections between seemingly unrelated events or situations. Entrepreneurs often come up with solutions which are the synthesis of other items. They will repurpose products to market them to new industries.

7. Determination

Entrepreneurs are not thwarted by their defeats. They look at defeat as an opportunity for success. They are determined to make all of their endeavours succeed, so will try and try again until it does. Successful entrepreneurs do not believe that something cannot be done.

8. Strong people skills

The entrepreneur has strong communication skills to sell the product and motivate employees. Most successful entrepreneurs know how to motivate their employees so the business grows overall. They are very good at highlighting the benefits of any situation and coaching others to their success.

9. Strong work ethic

The successful entrepreneur will often be the first person to arrive at the office and the last one to leave. They will come in on their days off to make sure that an outcome meets their expectations. Their mind is constantly on their work, whether they are in or out of the workplace.

10. Passion

Passion is the most important trait of the successful entrepreneur. They genuinely love their work. They are willing to put in those extra hours to make the business succeed because there is a joy their business gives which goes beyond the money. The successful entrepreneur will always be reading and researching ways to make the business better.

Successful entrepreneurs want to see what the view is like at the top of the business mountain. Once they see it, they want to go further. They know how to talk to their employees, and their businesses soar as a result.

Women
entrepreneurship, problem faced by
women entrepreneur.

1. Problem of Finance:

Finance is regarded as “life-blood” for any enterprise, be it big or small. However, women entrepreneurs suffer from shortage of finance on two counts.

Firstly, women do not generally have property on their names to use them as collateral for obtaining funds from external sources. Thus, their access to the external sources of funds is limited.

Secondly, the banks also consider women less credit-worthy and discourage women borrowers on the belief that they can at any time leave their business. Given such situation, women entrepreneurs are bound to rely on their own savings, if any and loans from friends and relatives who are expectedly meager and negligible. Thus, women enterprises fail due to the shortage of finance.

2. Scarcity of Raw Material:

Most of the women enterprises are plagued by the scarcity of raw material and necessary inputs. Added to this are the high prices of raw material, on the one hand, and getting raw material at the minimum of discount, on the other. The failure of many women co-operatives in 1971 engaged in basket-making is an example how the scarcity of raw material sounds the death-knell of enterprises run by women (Gupta and Srinivasan 2009).

3. Stiff Competition:

Women entrepreneurs do not have organizational set-up to pump in a lot of money for canvassing and advertisement. Thus, they have to

face a stiff competition for marketing their products with both organized sector and their male counterparts. Such a competition ultimately results in the liquidation of women enterprises.

4. Limited Mobility:

Unlike men, women mobility in India is highly limited due to various reasons. A single woman asking for room is still looked upon suspicion. Cumbersome exercise involved in starting an enterprise coupled with the officials humiliating attitude towards women compels them to give up idea of starting an enterprise.

5. Family Ties:

In India, it is mainly a women's duty to look after the children and other members of the family. Man plays a secondary role only. In case of married women, she has to strike a fine balance between her business and family. Her total involvement in family leaves little or no energy and time to devote for business.

Support and approval of husbands seem necessary condition for women's entry into business. Accordingly, the educational level and family background of husbands positively influence women's entry into business activities.

6. Lack of Education:

In India, around three-fifths (60%) of women are still illiterate. Illiteracy is the root cause of socio-economic problems. Due to the lack of education and that too qualitative education, women are not aware of business, technology and market knowledge. Also, lack of education causes low achievement motivation among women. Thus,

lack of education creates one type or other problems for women in the setting up and running of business enterprises.

7. Male-Dominated Society:

Male chauvinism is still the order of the day in India. The Constitution of India speaks of equality between sexes. But, in practice, women are looked upon as abla, i.e. weak in all respects. Women suffer from male reservations about a women's role, ability and capacity and are treated accordingly. In nutshell, in the male-dominated Indian society, women are not treated equal to men. This, in turn, serves as a barrier to women entry into business.

8. Low Risk-Bearing Ability:

Women in India lead a protected life. They are less educated and economically not self-dependent. All these reduce their ability to bear risk involved in running an enterprise. Risk-bearing is an essential requisite of a successful entrepreneur.

In addition to above problems, inadequate infrastructural facilities, shortage of power, high cost of production, social attitude, low need for achievement and socioeconomic constraints also hold the women back from entering into business.

1.7 Case studies on successful entrepreneurs

1.8 Government subsidies for entrepreneur:
Expert lecture on it.

(No questions should be asked on the subtopic 1.7 & 1.8)