Capabilities Of Entrepreneurs In The Execution Of Strategies In SSIs In Two States Of India: A Comparative Study

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ABSTRACT

❖ **Purpose : Gujarat and Odisha are two different provinces in the Indian sub-continent under the South-Asiatic region. Gujarat, with less mineral resources, tribal population and moderate poverty prospered economically due to the setting up of new industries, particularly in the Small Scale Sector (SSI). On the other hand, Odisha, inspite of its vast natural resources like minerals, forests, rivers, population, long coast line, natural harbours and surplus electricity has all characteristics of poverty. This phenomena led to an approach.**

❖ **Approach : Both the states are similar in many ways, yet the people of Odisha live under abject poverty. Small Scale Industries (SSIs) flourish in Gujarat but become sick in Odisha. Causes to these aspects draw serious attention of the people of Odisha. A study was initiated in this context to find out the drawbacks of poor performance of the state in the SSIs sector. The prosperity of Gujarat SSIs have been described through the management of seven major social & financial factors. Strategy-activities of SSIs of Gujarat and Odisha have been compared and the differences are brought out for the entrepreneurs of Odisha to consider and follow for the high growth of the SSEs in the state.**

❖ **Findings : The study reveals that a careful execution of strategy with a prudent use of the state's natural, social and financial resources made Gujarat Small Scale Enterprises (SSEs) more advantageous for high economic growth, which was not observed in the case of Odisha SSEs.**

Keywords : Strategy, Fiscal Stability, Stakeholders, Proactive Engagement, Critical Resources, Strategy & Implementation, Small Scale Industries (SSIs)

INTRODUCTION

Entrepreneurs are increasingly becoming interested in strategies associated with social and financial implications, value creation processes, and their application in the day-to-day markets to acquire competitive advantages. The prospects of financially consistent social activities and management capabilities all combine and initiate strategic actions for higher performance of a firm. Refined management styles contribute meaningful advantages to win the day-to-day markets for better performance and growth of the firm. The purpose of the study is to examine how the small-scale entrepreneurs of Gujarat and Odisha differ in their strategic attempts of production programme, financial and social factor management and implication in growth prospectives. Gujarat SSEs prosper gloriously, whereas, in Odisha SSEs fall sick in many cases. A comparison of the kind of differences in strategic functioning of SSEs will bring to light the hidden aspects of their success, which may be helpful for the perishing SSEs of Odisha, showing ways and means for survival and recovery of the units.

REVIEW OF LITERATURE

Small and Medium Enterprises (SMEs) contribute a lot to the economy of both developing and developed countries in terms of diversification of the economic activities and in job creation (Ongori, 2008). Scholars and consultants have thought much about analyzing the strategic situations. Strategy is used to mean whatever one has made up his mind to do. Entrepreneurs are increasingly becoming interested in strategies associated with social and financial implications, value creation processes, and their application in the day-to-day markets to acquire competitive advantages. The prospects of financially consistent social activities and management capabilities all combine and initiate strategic

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actions for higher performance of a firm. Refined management styles contribute meaningful advantages to win the day-to-day markets for better performance and growth of the firm. The purpose of the present study is to examine how the small-scale entrepreneurs of Gujarat and Odisha differ in their strategic attempts of production programme, financial and social factor management and implication in the growth prospectives. Gujarat SSEs prosper gloriously, whereas in Odisha, SSEs fall sick in many cases. A comparison of the kind of differences in strategic functioning of SSEs will bring to light the hidden aspects of their success, which may be helpful for the perishing SSEs of Odisha, showing ways and means for survival and recovery of the units. The managers of organizations face a number of challenges -globalization of business, rapid technological change, continual reorganizing and competence-based competition. These developments challenge the skills, competencies and capabilities of managers in organizations. In light of these dynamic changes, managers' competencies also need to be renewed on a regular basis (Rathnam et al., 2008). To the chief executive officer of a firm, strategy means an integrated concept of how the business will achieve its objectives (Donal & Fredrickson, 2001). A strategy addresses how the business intends to engage its environment. It does not tell about the internal arrangements made to reinforce and support the strategy (Goalbreath and Kazangian, 1986). Without entering much into the details of strategy and its requirements, a programme is initiated to examine how its objectives become successful and firms acquire financial growth. There can't be a successful strategy unless socio- management tools (factors) are taken into consideration along with it. The effects of few socio- economic management tools have been searched and are discussed in the present study.

METHODOLOGY

Operational effectiveness and strategy both are complementary to each other, and their weightage is highly essential for assessing the performance of an entrepreneur. It was decided to collect primary information (data) from strategist-entrepreneurs though a well-planned questionnaire. The questionnaire included seven major socio- economic factors (variables), which when addressed properly, enrich the strategic growth of the SSIs. Convenient sample selection procedures were used to select states, districts and industries of two kinds (engineering and food processing). Two provincial states (Gujarat and Odisha) in India were selected for the study. A total of 110 SSIs were considered for the present study, counting equally half of the totals from each of the states. Inaccessible locations were not considered for collection of the data. Thirty units within each state from the engineering category and twenty- five units from the food - processing category were considered for the collection of data. Those entrepreneurs who cooperated to provide meaningful information as per the requirements detailed in the questionnaire were selected for the study. Attempts were made to select respondents on the basis of their qualification and experience befitting the subject of the research.
Entrepreneur-respondents were contacted prior to the visits on fixed dates for collection of data from the unit premises. Closed ended questionnaires were provided to the respondents. They had to go through the questionnaire for understanding the contents. Explanations were made to clear up the doubts, if any, in the questionnaire. The questionnaire was in the form of Multiple Choice Questions (MCQs) in words of relative grades. The questionnaire was self-explanatory. Few identifying parameters (Key) for answering each question were suggested. These parameters were listed just below the question and above the answer boxes, which were suggestive in nature and never binding to the question's answer at all. Questions were answered by ticking out the relevant boxes placed below the questions; numericals were given below the boxes representing the degree of success (grades) in equivalent points of the progressive work achieved through the management of social and economic factors in SSEs run by the owner-companies. Degree of success of the SSEs for a particular element (factor) was fitted to a five-point rating scale (Grade). The five-point rating scale was identical in each of the seven questions for inserting the answers; the example is placed below the format. Respondent-entrepreneurs were requested to have a holistic view for answering the questions. The answers were confidential and were used for academic purposes only. Seven major social and economic factors were elaborated in the questionnaire. Each factor had only one question seeking an answer to it. Content and format of the questionnaire was as follows : Instructions were given on how to answer the questions. The seven socio-economic factors on which questions were asked were: **i)** Fiscal Stability, **ii)** Stake holder's Satisfaction, **iii)** Pro-active Engagement, **iv)** Stake holder's involvement in programme planning & implementation, **v)** Access to critical resources, **vi)** Feedback and **vii)** Govt. policy. The time period of the study was from 2007 - 2010.

❖ **Collection, Tabulation, Processing And Analysis of Data :** Primary data from the individual respondent entrepreneurs were collected through the questionnaire and organized personal contacts and were recorded systematically in well prepared tables. Reliability test was employed to examine the truthfulness of the data; appropriate techniques of investigation were followed, and tools were used for quantitative study of the variables and statistical analyses. Since the variables of the two states i.e. Gujarat and Odisha were paired, the value of Fisher's 't' was calculated for testing the significance of the difference between the two treatment means of independent groups.

RESULTS & DISCUSSION

Performance of the small-scale enterprises of engineering and food-processing units in Gujarat and Odisha were worked out separately and related to each of the eight socio- economic factors showing the outcome measured in a rating scale with numerical values. Differences between the two states were reported, and a comparison was made.

1) Fiscal Stability - To What Degree A Firm Is Financially Sound? : Financial strength is defined as the degree to which a firm is satisfied with respect to monetary needs. While measuring financial strength, the researchers gave more importance to the financial consistency of a firm (i.e. how consistent the firm is in making profit). Strategic actions are actions that are not only a long-term process but also require long term resource commitment from the firm. Therefore, firms carefully judge their resource commitment for the strategic approach. At the same time, firms also consider other resource requirements. They not only judge the strategic implications, but also judge the financial implications for adopting a particular process. While judging the feasibility of the firm for adopting a strategy, considerable importance is given to the present financial health of the firm. For example, firms which went through financial turmoil in the recent past can't afford financial demand to initiate a strategy immediately. In such cases, firms have to meet immediate capital expenditure for other items requiring pressing demands, and they should not give priority to initiate a strategy at that moment. However, firms with consistent, healthy financial stability with enough resources can afford the expenditure for a successful strategic action to achieve long-term benefits. In absence of financial holdlock, this may not be possible. Hence, finance is very much important, and it must be considered before initiating a strategy. "Stronger the firm financially, higher is the successful strategic action for long-term growth and benefits."

The financial stability of the firm has an outstanding long-term effect on strategic growth. The entrepreneurs of

Table 1 : Observed Frequencies On The Rating Scale (Grade) Regarding Fiscal Stability In Engineering Enterprises In The Two States (Gujarat & Odisha)

States	Ratings / Frequencies					Mean score
	5	4	3	2	1	
Gujarat	0	10	17	3	0	3.233
Odisha	0	6	11	13	0	2.766
$t_{0.05}$ = 2.000		DF = 48		t = 2.473*m		
Source: Primary data						

Table 2 : Observed Frequencies On The Rating Scale (Grade) Regarding Fiscal Stability In Food Processing Enterprises In The Two States (Gujarat & Odisha) And Creating A Good Business Network Outside The State

States	Ratings / Frequencies					Mean score
	5	4	3	2	1	
Gujarat	3	20	2	0	0	4.04
Odisha	0	6	4	5	10	2.24
$t_{0.05}$ = 2.015		DF = 48		t = 4.840**		
Source: Primary Data						

Gujarat and Odisha both in the engineering and food-processing sector expressed their financial position through the questionnaire. The Tables 1 and 2 reveal the financial soundness of the entrepreneurs in both the states, i.e. Gujarat and Odisha in engineering and food-processing enterprises. The mean scores of financial stability are 3.233 and 4.04 for Gujarat, and 2.766 and 2.24 for Odisha under engineering and food processing small-scale enterprises respectively (Tables 1 and 2). Significant differences existed in the financial stability between the two states. Gujarat was financially sound to execute uninterrupted strategic actions, whereas Odisha, on the other hand, was financially weak to undertake strategic actions in both the fields. It is worthwhile to observe that in Gujarat, small - scale enterprises in the food-processing category enjoyed a better financial status as compared to SSEs in the engineering sector. Owing to their good growth rate, food processing SSEs of Gujarat expanded outside the state as well . Since

Table 3 : Observed Frequencies On The Rating Scale (Grade) Regarding Stakeholders' Satisfaction With Engineering Enterprises In The Two States (Gujarat & Odisha)

States	Ratings / Frequencies					Mean score
	5	4	3	2	1	
Gujarat	0	3	20	7	0	2.866
Odisha	0	2	21	7	0	2.833
DF = 58		$t_{0.05}$ = 2.000		t = 0.205 (NS)		
Source: Primary Data						

Table 4 : Observed Frequencies On The Rating Sale (Grade) Regarding Stakeholders' Satisfaction With Food Processing Enterprises In The Two States (Gujarat & Odisha)

States	Ratings / Frequencies					Mean score
	5	4	3	2	1	
Gujarat	2	8	7	0	8	2.84
Odisha	0	4	7	3	11	2.16
DF = 48		$t_{0.05}$ = 2.015		t = 1.645 (NS)		
Source: Primary Data						

Table 5 : Observed Frequencies On The Rating Scale (Grade) Regarding Proactive Engagement of Engineering Enterprises In The Two States (Gujarat And Odisha)

States	Ratings / Frequencies					Mean score
	5	4	3	2	1	
Gujarat	0	12	15	3	0	3.300
Odisha	0	3	15	12	0	2.700
DF = 58		$t_{0.05}$ = 2.000				t = 3.260*
Source: Primary Data						

Table 6 : Observed Frequencies On The Rating Scale (Grade) Regarding Proactive Engagement Of Food Processing Enterprises In The Two States (Gujarat & Odisha)

States	Ratings / Frequencies					Mean score
	5	4	3	2	1	
Gujarat	9	7	6	3	0	3.880
Odisha	0	9	3	7	6	2.360
DF = 48		$t_{0.05}$ = 2.015				t = 4.444**
Source: Primary Data						

SSEs in Odisha were weak in financial stability in both the categories (engineering & food processing), they could not think about market expansion.

2) Stakeholders' Satisfaction - To what degree critical stakeholders of the firm have expressed their satisfaction or dissatisfaction through organizational or social channels? : Critical stakeholders' satisfaction is measured from their expressions made through organizational or social channels. Indicators considered for measuring this variable were given in the questionnaires. Absence or presence of these situations indicated the degree of satisfaction or dissatisfaction. It was observed that the continuous engagement of external stakeholders in the firms mostly depend on the availability of the firms' resources. Firms without sufficient resources can't engage the stakeholders regularly and in an appropriate manner in the business operations. For example, food processing firms had to engage the stakeholders in continuous strategic actions. Since its supply chain is heavily dependent on individual farmers who are vulnerable to external pressures, rival interferences, and other business opportunists, surely there will be a setback to the strategic actions of the firm. If the dependency is less, the supply chain is always satisfied and there is no break in the strategic programme, then the firm will be in good humour for the persons who are associated with it and thus, they could be integrated into the firms' business strategy. In some other cases, it was found that the firms whose business mainly depends on human resources need social capital to retain and attract talent and also to gain efficient stakeholders. These firms must be involved in sustaining the social capital on a priority basis to become successful in strategic actions. The firms of which core and substantial resources are people will be interested to invest some capital in human development aspects in institutes and independent R & D centers because such institutes provide critical resources to run the business and progress in strategic actions. In some cases, a huge number of people involved in the business make firms socially and politically vulnerable. Such situations require established organizational processes which facilitate proactive and continuous engagement of larger stakeholders through strategic actions. Hence, higher is the stakeholders' satisfaction, the stronger is the strategic action of the firm to attain its objectives.

The Tables 3 and 4 show the stakeholders' satisfaction or dissatisfaction with engineering and food processing SSEs in Gujarat and Odisha. Similar situation prevailed in both categories of enterprises in both the states. No significant difference was observed in both the category of firms in both the states. The mean score of the engineering firms was a bit higher than it was for the food processing firms in both the states. Therefore, it does not indicate the existence of extreme cases of dissatisfaction or satisfaction in both categories of firms in both the states, which indicates that average level of strategic actions were taken by the firms.

To increase the strategic action taken by the firms, it is required that the firms instill confidence in the stakeholders (through the payment of bonus and higher allowance) so that they (stakeholders) develop a favorable attitude towards the firm. So, the higher is the stakeholders' satisfaction with a firm, the greater is the level of strategic actions taken by the firm to generate more profits.

3) Proactive Engagement - To what degree a firm has adopted and established an organizational process to pro-actively engage large stakeholders through strategic actions? : This organizational process includes the process a firm follows to conceive, plan and implement its programme. Adoption of such a process may lead to a greater degree of engagement with the stakeholders. The closeness between the firm and community shows the strength of the socio-economic system, where both the firm and the community mutually prosper economically. In such cases, the firm maintains the socio-economic system. Degree of capabilities of the firm for strategic action is measured based on the : **(i)** Stakeholders' participation in the firm's value chain; **(ii)** Level of integration of a firm's business with the organizational process ; **(iii)** Involvement of community members, independent individuals, groups, activists or organizations of the area/region in strategic programmes of the firm for economic growth.

The Table 5 shows that there was a significant difference in the engagement of proactive stakeholders in engineering firms of both the states. Mean score against pro-active engagement of Gujarat is 3.300 as against the mean score of 2.700 for Odisha, which implies that Gujarat engineering enterprises had a more pro-active engagement of the stakeholders through the organizational process to achieve the firms' objectives through a strategic programme. Proactive engagement of the community members, independent individuals, groups, activists and organizations of the area enhances the firms' strategic activity for higher economic growth within specific time limits. Such events are a good sign for the firm. Firms grow successfully with such proactive associations. There was less proactive stakeholder engagement in the small scale engineering enterprises of Odisha. The mean score of this category of firms

Table 7 : Observed Frequencies On The Rating Scale (Grade) Regarding The Involvement Of Stakeholders In Programme Implementation In Engineering Enterprises In The Two States (Gujarat & Odisha)						
States	**Ratings / Frequencies**					**Mean score**
	5	4	3	2	1	
Gujarat	0	13	14	3	0	3.333
Odisha	0	4	14	12	0	2.733
DF = 58		$t_{0.05}$ = 2.000			t = 16.66***	
Source: Primary Data						

Table 8 : Observed Frequencies On The Rating Scale (Grade) Regarding The Involvement Of Stakeholders In Programme Implementation In Food Processing Enterprises In The Two States (Gujarat & Odisha)						
States	**Ratings / Frequencies**					**Mean score**
	5	4	3	2	1	
Gujarat	11	7	7	0	0	4.16
Odisha	6	2	10	7	0	3.28
DF = 48		$t_{0.05}$ = 2.015				t = 2.384*
Source: Primary Data						

is 2.700 in Odisha, whereas, the mean score of Gujarat engineering firms is 3.300, a bit higher than the engineering firms of Odisha.

There are significant differences in the food-processing firms of Gujarat and Odisha (Table 6). The mean score for the proactive engagement of the stakeholders in Gujarat food processing enterprises is 3.880 and for Odisha, it is only 2.360. Therefore, the food-processing firms of Gujarat show a good growth potential to receive the support from the stakeholders and also, to expand in markets outside the home state. The study indicates that higher, proactive engagement in firms is for higher returns and successful implementation of strategic programmes. It is, therefore, made clear that "higher is the proactive engagement, the stronger is the strategic action taken by a firm."

4) Stakeholders' Involvement in Programme Planning and Implementation - To what degree the firm has involved its critical stakeholders while conceiving, planning & implementation of programmes? : "The greater is the level of involvement of critical stakeholders, the greater is the strength of the operating strategic programmes."

Such actions create favourable socio-economic systems where the firm and community prosper economically. For example, a pulp and paper manufacturing firm operating in Odisha should co-opt the local population to create renewable bamboo cultivation and extend such efforts in the field, which the firm can use. The firm can help the local people by imparting training, providing funds and arranging interest free loans in some cases. In addition, the firm can open hospitals, build up sludge treatment plants for paper mills' sludge products. The rural people can get the benefit from the hospitals and use the available 'paper mill sludge' in agricultural fields to enhance crop production. As a result, the firm not only provides livelihood to locals, but also reduces the local opposition in many cases. Moreover, the firm develops infrastructure in the region which contributes to the firms' business & creates a social environment for the critical stakeholders. Similarly, Sugar mills can extend minikit programmes in the rural areas of Odisha to benefit themselves and enhance sugarcane cultivation of the state. Fertilizers, weedicide-chemicals and insecticides with sugarcane seeds can be provided through minikits to the sugarcane growers to upgrade the sugarcane cultivation. Cultivation techniques may be taught to the growers through training and meetings. The produce can be collected by the factory from the growers at reasonable rates from their door steps. In this way, the critical stakeholders and the mill owners are mutually benefited. This type of association benefits both the parties.

The Tables 7 and 8 give a clear proof of the differences in the involvement of critical stakeholders in the firms' business, programme planning and its implementation in both the states (Gujarat & Odisha) in both categories of enterprises. Differences are significant in either category of business in Gujarat and Odisha. The mean score of Gujarat for engineering and food-processing enterprises is 3.333 and 4.16 respectively as against that of Odisha with

Table 9 : Observed Frequencies On The Rating Scale (Grade) Regarding Access To Critical Resources In Engineering Enterprises In The Two States (Gujarat & Odisha)						
States	**Ratings / Frequencies**					**Mean score**
	5	**4**	**3**	**2**	**1**	
Gujarat	0	6	15	8	1	2.866
Odisha	0	3	15	9	3	2.600
DF = 58			$t_{0.05}$ = 2.000		t = 1.192 (NS)	
Source: Primary Data						

Table 10 : Observed Frequencies On The Rating Scale (Grade) Regarding Access To Critical Resources In Food Processing Enterprises In The Two States (Gujarat & Odisha)						
States	**Ratings / Frequencies**					**Mean score**
	5	**4**	**3**	**2**	**1**	
Gujarat	7	8	10	0	0	3.88
Odisha	0	12	7	6	0	3.24
$t_{0.05}$ = 2.015			DF = 48		t = 2.133*	
Source : Primary Data						

mean score of 2.733 and 3.28 respectively. Gujarat enjoys greater advantages by involving the critical stakeholders in programme planning, implementation and participation in strategic decisions. As such, the state of Gujarat realized a greater benefits from all sides, which is not possible in the case of Odisha's enterprises in both the sectors.

5) Access To Critical Resources - To what degree the firm has access to critical resources because of its strategic actions? : Critical resources of any tangible or intangible nature which the firm can use to gain competitive advantage are considered here. Let us now consider to what degree the small-scale enterprises of Gujarat and Odisha had access to acquire such critical resources and whether there exist any differences in the degree of their achievements. Tables 9 and 10 present the degree of achievements in acquring critical resources by both category of firms (engineering & food processing) in Gujarat and Odisha state. It can be inferred from the Tables 9 and 10 that there is no difference in acquisition of critical resources by the engineering enterprises. The mean score being 2.866 and 2.600 for Gujarat and Odisha respectively. However, there exist differences in achievements of critical resources under food-processing industries in both the states. The mean score being 3.88 and 3.24 for Gujarat and Odisha state. Gujarat state food processing enterprises had good access to critical resources because of their favourable industrial environment and healthy government policy. From the study of acquiring of critical resources for the above mentioned two categories of enterprises, it becomes clear that "the more is the access to critical resources, the more is the strategic work required to gain greater economic returns."

6) Feedback - What is the frequency of feedback the firm gets for strengthening its strategic programmes? : In this case, the frequency of feedback the firm gets from different category of people or organizations is considered. The process of implementation of a strategic programme requires a robust feedback mechanism which informs the firms about the effectiveness of their strategic actions, loopholes and future directions. In almost all cases, feedback received from the stakeholders is used to monitor the progress of strategic activities to measure the effectiveness. Firms use fine-tuning in the strategic actions to prioritize stakeholders and to measure their social performance. Since feedback facilitates effective and efficient implementation of strategic actions, it as an important tool. Feedback is a social capital (asset) for the enterprises because of associated actions among firms, stakeholders, middlemen, consumers and others intimately related to the frequency the firm receives about its associated actions. That is why, “the more is the frequency of the feedback, the higher is the level of strategic action." When we look into the Tables 11 and 12, we find an account of the frequency of feedback on the rating scale of relative merits of the two states (Gujarat & Odisha) in engineering and food-processing firms. The mean score for Gujarat engineering and food processing

enterprises is 3.30 and 3.52 respectively whereas, it is 2.833 and 2.96 in case of engineering and food processing firms in Odisha. Significant differences exist between Gujarat and Odisha in the frequency of feedback received by the engineering enterprises. Hence, the strategic action taken by the enterprises was stronger in case of engineering enterprises in Gujarat. Therefore, it can be concluded that fabricated engineering products manufactured by engineering enterprises in Gujarat are admired by the customers outside the state. This is not possible in case of Odisha, since the products are not refined to a desired level, hence, the products are sold locally. Due to the good quality and popularity of products manufactured in engineering enterprises in Gujarat, the profits earned by the engineering enterprises in Gujarat was higher than what was earned by the engineering enterprises in Odisha. Incase of food processing enterprises of Gujarat and Odisha, the frequency of feedback received from different quarters was not significant.

Table 11 : Observed Frequencies On The Rating Scale (Grade) Regarding 'Feedback' About Engineering Enterprises In The Two States (Gujarat & Odisha)

States	Ratings / Frequencies					Mean score
	5	4	3	2	1	
Gujarat	0	14	12	3	1	3.300
Odisha	0	7	13	8	2	2.833
DF = 58		$t_{0.05}$ = 2.000		t = 2.107*		
Source: Primary Data						

Table 12 : Observed Frequencies On The Rating Scale (Grade) Regarding 'Feedback' About Food Processing Enterprises In The Two States (Gujarat & Odisha)

States	Ratings / Frequencies					Mean score
	5	4	3	2	1	
Gujarat	7	6	5	7	0	3.52
Odisha	4	3	6	12	0	2.96
DF = 48		$t_{0.05}$ = 2.015		t = 1.618 (NS)		
Source: Primary Data						

7) Government's Policy - To what extent the government's policies are favorable for strategic action? : Government's policies are judged on the basis of evaluation of favourable rules implemented to encourage & help the industrial activities. Small scale enterprises offer a wide range of employment opportunities to alleviate problems of unemployment in our country. The SSEs have been developed by the efforts of the entrepreneurs over a period of time through their business acumen in terms of technical skills, capability to run the units at lower levels. However, a need is felt to strengthen small-scale enterprises in terms of an array of needs like capacity-building infrastructural support, financing, technology upgradation, research and development activities, quality improvement, market

Table 13 : Observed Frequencies On The Rating Scale On Government's Policies Regarding Engineering Enterprises In The Two States (Gujarat & Odisha)

States	Ratings / Frequencies					Mean score
	5	4	3	2	1	
Gujarat	0	13	14	1	2	3.266
Odisha	0	5	14	9	2	2.733
DF = 58		$t_{0.05}$ = 2.000		t = 2.376*		
Source: Primary Data						

access etc., so as to enable them to gain a competitive advantage in the national and international markets. Keeping these views in mind, industrial policies were framed at different times by the Government to upgrade the industrial sector comprising of different kinds of industries. It is very essential that the small-scale units try to keep pace with the rapid changes in the technology and indentify suitable technology for their units. The state Governments should appreciate these ideas and encourage the units in up gradation of their existing technology to enable them to compete in the internal and external markets . To render help in industrial upgradation, the Governments redefine the policy objectives from time to time to encourage the entrepreneurs.

Significant differences in grant of favours through the policies of two different governments in Gujarat & Odisha were observed in both the engineering and the food processing sectors. The mean scores for the Gujarat enterprises were 3.266 and 4.44 for engineering and food-processing units respectively. The mean scores were 2.733 and 1.68 for Odisha engineering and food-processing units respectively. SSEs policies in Gujarat were found to be more favourable than they were in Odisha, as expressed by the entrepreneus in the small scale sector. The entrepreneurs from Gujarat extracted the full benefits of the favorable policies for increasing the economic growth of their units (Tables 13 and 14).

Table 14 : Observed Frequencies On The Rating Scale On Government's Policies Regarding Food Processing Enterprises In The Two States (Gujarat & Odisha)

States	Ratings / Frequencies					Mean score
	5	4	3	2	1	
Gujarat	15	6	4	0	0	4.44
Odisha	0	0	5	7	13	1.68
DF = 48			$t_{0.05}$ = 2.000		t = 6.052**	
Source: Primary Data						

The study makes an inference at this level that the policy implementing functionaries for the industrial sector of these two states (Gujarat & Odisha) were not found to be equally efficient, sincere and transparent. The Gujarat functionaries seemed to work better, keeping the interest for overall growth of the industrial sector in the state to the forefront. Therefore, it is concluded that "the more favorable the policies of the government, the higher is the strategic progress of the SSEs for economic growth."

SALIENT FINDINGS

Some of the salient findings of the research are presented in this section. While judging the feasibility of the firm for adopting a strategy, considerable importance must the given to the financial condition of the firm at the very beginning. The firm which faces financial turmoil should not give priority to initiate a strategy, it should meet immediate capital expenditures for other items first. The firms with consistent financial stability only can afford to bear expenditures for a strategic move. Financial holdlock render the firms unsuccessful in strategic attempts.

Continuous engagement of external stakeholders in the firm mostly depends on the availability of the firms' resources. It is necessary to arrange efficient resources for regular appointment of the stakeholders. Reasonable payment and regular appointment of the stakeholders will always suppress dissatisfaction and speed up strategic action leading towards higher economic growth of the firm.

Proactive engagement of the stakeholders through organizational processes is a necessity for a firm's growth. Proactive association of community members, individuals, groups, activists and organizations of the area facilitate progress in strategic work. Such events are good signs for the firm indicating a successful economic growth.

For creation of a social environment among the critical stakeholders, efforts must be made to involve them in strategic planning implementation and monitoring. Independent individuals, community members, groups, organizations, private or government bodies and others should be associated and brought to a firm's value chain. This will contribute to the firm's business to a greater extent.

Creation of solidarity between the firm and institutions (Government and other agencies) is important for dispute

reddressal generating complementary resources, improving technical knowhow, and improving the firm's access to affect state level policy decisions, increasing bargaining power and developing a good business ecosystem of the firm. These are all non-monetary rare and critical resources for the firm in its strategic progress.

Feedback mechanism provides the firms with effectiveness of the programme, loopholes and future directions. Feedback is used to monitor the progress of strategic activities and in fine-tuning the firms' actions. It is an important tool/ social capital. A favorable government's policy is always seen to encourage the SSIs to prosper financially. Suggestions could be made at this level that the policy implementing functionaries of the government should always be sincere, transparent and try to be efficient to help the SSIs' entrepreneurs on all occasions.

CONCLUSION

The study was completed in the field under uncontrolled conditions with the involvement of multifarious factors. It was not possible to quantify them numerically. However, research indicated important differences in several aspects of socio-economic factors and their sub-factors. Those could be used as guidelines for increased numerical research. Particularly, Odisha small scale-entrepreneurs and researchers must look into them and take care of those factors for better management of the state units.

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