An Empirical Study on Selected Chemical Units in Gujarat with Special Reference to Facilities Provided By GIDC

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Abstract

The words entrepreneur, entrepreneurs and entrepreneurship acquired special significance in the context of economic growth in a rapidly changing socio-economic and socio-cultural climate. In the present study, an attempt has been made to evaluate the role of GIDC in entrepreneurship development with special reference to 200 chemical units of Ahmedabad, Nandesari, Ankleshwar, Sachin and Vapi Industrial Estate of Gujarat State. Entrepreneurship is one of the important segments of economic growth. GIDC provides different types of facilities. But the satisfaction of entrepreneurs regarding facilities provided by GIDC is varying for entrepreneur to entrepreneur, facility to facility and estate to estate. This paper concluded that the infrastructural facilities like internal road, water supply, drainage, post office, bank, insurance, hotel, government notified area office and hospital are satisfied but land and building, school and warehouse are not satisfied. GIDC does not play proper role regarding grievance handling. In short, almost all the value-added services are not fully satisfied.

Keywords: Entrepreneur, Entrepreneurship, GIDC, Facilities, Chemical Units.

Introduction

Entrepreneurship is an interesting and challenging subject for study. It plays an important role in industrial and economic development of a country. It is now emerged as a separate discipline. Like other disciplines, it can also be developed and fostered through specific educational and training programs. Several institutes in the field of entrepreneurship are running and working for the development of entrepreneurship in all most all the countries of the global world.

In the present study, an attempt has been made to evaluate the role of GIDC in entrepreneurship development with special reference to some of the selected chemical units of Ahmedabad, Nandesari, Ankleshwar, Sachin and Vapi Industrial Estate of Gujarat State. For this purpose, different infrastructural, commercial and social facilities are analyzed. Along with this, comparison of sample units of industrial estates was also made to determine the position of facilities.

Review of Literature

Gupta S.K. (1989) examined the Indian Entrepreneurship Development Strategy, its policy implications, and its possible implications for other countries. People in any region possess many economic strengths, but often fail to convert them into opportunities. Apart from possible policy barriers, the inability to translate ideas into action.
**Indira Hirway (2000)** studied Gujarat has a relatively high per capita income, a diversified economy and workforce and development financial and capital markets. On the other hand, the state lags behind in terms of the quality of employment and several dimensions of human development. This paper seeks to delineate the profile of Gujarat’s development with a view to understanding the mixed results and inferring the likely directions of future development.

**Rupal R. Patel (2001)** studied different institutions like GIDC, CED, EDII, etc. motivated and promoted entrepreneurs in the field of their choices for better livelihood. In this study, the response rate is 62.5% in GIDC study and 66.7% in CED study. Much care was taken in selecting entrepreneurs from the various places of Gujarat e.g. entrepreneurs of Vadodara, Navsari, Chikhali, Vapi, Surat, Himmatnagar, Palanpur, Ahmedabad, Bhavnagar, Ankleshwar, Gandhinagar, Jamnagar and the like. The sample was selected from the whole Gujarat in CED study.

**Sanjay R. Ajmeri (2003)** evaluated the role of financial institutions in entrepreneurial development with special reference to some of the selected units in Gujarat. The main objectives of this study are to evaluate the role of GSFC, GIIC and SIDBI in entrepreneurial development and to highlight the problems encountered by entrepreneurs. A total of 36 entrepreneurs were covered in this study who had obtained financial assistance from financial institutions. The respond rate is 70% in GSFC study, 56% in GIIC study and 80% in SIDBI study.

In his book, **Dr. Raju M. Rathod (2004)** covers brief stories of 50 successful entrepreneurs who have made world class enterprises by offering inimitable products and top of the mind brands across the world. An attempt has been made to assimilate some important concepts of entrepreneurship like essential qualities of successful entrepreneurs, entrepreneurial motivation, right business strategies and right business models to be successful.

**Kalpesh Shah (2009)** studied the role of GIDC and EDII for the overall growth and development of the enterprise situated in Gujarat. The main objectives of this study are to examine the impact of EDII and GIDC for the entrepreneurship development in Gujarat and to know the troubles and problems of entrepreneurs. For the purpose of this study survey of 154 units has examined and opinion of owner of large, medium and small scale enterprises has been carried out.

**PIHIE and SANI (2009)** attempted to explore the entrepreneurial mindset of students after following an entrepreneurship education course. Several teaching techniques were utilized to infuse entrepreneurial skills and behavior among students in the university settings. This paper discusses practical implications for university entrepreneurship learning to guide students to have an entrepreneurial mindset.

**Research Methodology**

**Scope of the Study:**
Sample of 200 entrepreneurs of chemical units has been selected for the study. Total filled up questionnaire was 224 out of which around 200 found complete which were further analyzed. The data was analyzed with the help of SPSS and EXCEL statistical tools.

**Sources of Data Collection**
In order to achieve the objectives of present study, two types of data are collected:

**A. Primary Data:**
Primary data was collected from the entrepreneurs of selected chemical industrial units of Ahmedabad, Nandesari, Ankleshwar, Sachin and Vapi Industrial Estate of Gujarat through interviews, personal investigations, visits, etc. A
separate questionnaire was prepared for entrepreneurs to obtain necessary feedback and data. Entrepreneurs were interviewed and requested to answer the questionnaire.

B. Secondary Data:
Secondary data relating to the performance, function and role of GIDC were collected from Annual reports of GIDC Books, Journals, Magazines, Newspapers and Internet.

Data Analysis and Interpretation
Once data and information were collected, they were classified, summarized and presented with the help of statistical tools, techniques and methods in an appropriate form through tabulation, figures and charts. Interpretation and inferences were drawn thereafter accordingly.

Profile of Selected Units

<table>
<thead>
<tr>
<th>Industrial Estate</th>
<th>No. of Units</th>
<th>Types of Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ahmedabad</td>
<td>50</td>
<td>10 Large Scale</td>
</tr>
<tr>
<td></td>
<td></td>
<td>14 Medium Scale</td>
</tr>
<tr>
<td></td>
<td></td>
<td>26 Small Scale</td>
</tr>
<tr>
<td>Nandesari</td>
<td>35</td>
<td>10 Large scale</td>
</tr>
<tr>
<td></td>
<td></td>
<td>6 Medium scale</td>
</tr>
<tr>
<td></td>
<td></td>
<td>19 Small scale</td>
</tr>
<tr>
<td>Ankleshwar</td>
<td>45</td>
<td>12 Large scale</td>
</tr>
<tr>
<td></td>
<td></td>
<td>8 Medium scale</td>
</tr>
<tr>
<td></td>
<td></td>
<td>25 Small scale</td>
</tr>
<tr>
<td>Sachin</td>
<td>27</td>
<td>7 Large Scale</td>
</tr>
<tr>
<td></td>
<td></td>
<td>9 Medium Scale</td>
</tr>
<tr>
<td></td>
<td></td>
<td>11 Small Scale</td>
</tr>
<tr>
<td>Vapi</td>
<td>43</td>
<td>12 Large scale</td>
</tr>
<tr>
<td></td>
<td></td>
<td>12 Medium scale</td>
</tr>
<tr>
<td></td>
<td></td>
<td>19 Small scale</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>200</strong></td>
<td><strong>200</strong> Units</td>
</tr>
</tbody>
</table>

Objectives of the Study
The principal objectives of the study are as under:
1. To study the entrepreneurial development in Gujarat.
2. To examine the factors for motivating entrepreneurs to establish chemical units.
3. To evaluate facilities, assistance and help regularly provided by GIDC.
4. To get and analyze the opinions of entrepreneurs regarding facilities, services, assistance, etc. provided to them by GIDC.
5. To suggest ways and means to improve the present facilities available to the selected chemical units.

Hypothesis of the Study
In order to check that whether entrepreneurs who are managing different size of business, located at different places and managing their business with different forms of organization, would have same responses for their rating for facilities provided by GIDC. Following hypotheses have been formed and tested with the help of one way ANOVA test.
1. There is no significant variance in responses of entrepreneurs dealing with different size of business for facilities provided by GIDC.
2. There is no significant variance in responses of entrepreneurs located at different places for facilities provided by GIDC.
3. There is no significant variance in responses of entrepreneurs managing business with different forms of organization for facilities provided by GIDC.

Significance of the Study
The research study would be useful to the potential entrepreneurs who want to establish chemical units. It would be helpful to them to come to know about the infrastructural and commercial facilities available in the GIDC estates. The conclusions of the proposed research study would greatly help the Academicians, Researchers, Business School Students and the whole Chemical Industry. The conclusions of the proposed research study may be inductive and deductive. They may be helpful in enriching the prevailing pool of knowledge.

Limitations of the Study
The research study is, although, useful to the potential entrepreneurs, academicians, researchers and the whole chemical industry, it is not free from certain limitations.
1. The study is based on entrepreneurs of selected chemical industrial units in Gujarat.
2. The study is based on those entrepreneurs who started their business in Ahmedabad, Nandesari, Ankleshwar, Sachin and Vapi Industrial estates only.
3. The study is based on the business-related problems only.
4. The sample size prefixed for the research study was two hundred (200) chemical industrial units in Gujarat which are limited concerns.
5. Time, finance and co-operation factors are also responsible for problems and delay.
6. The research study is based on a fixed time span and does not cover a long time period.
7. The outcome of the study is largely based on availability of required data. The collection of primary and secondary data may posses certain drawbacks.

Further Scope of the Study
1. The study is based on 200 samples only. More samples could be taken for further study.
2. More geographical area could be covered for the study for better research.
3. Industry wise analysis could produce better results.

Hypothesis Testing
1. **Hypothesis-1**: There is no significant variance in responses of entrepreneurs dealing with different size of business for facilities provided by GIDC.

<table>
<thead>
<tr>
<th>Facilities</th>
<th>Size of Business</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig</th>
</tr>
</thead>
<tbody>
<tr>
<td>Infrastructure Facilities</td>
<td>Between Groups</td>
<td>0.088</td>
<td>2</td>
<td>0.044</td>
<td>0.245</td>
<td>0.783</td>
</tr>
<tr>
<td></td>
<td>Within Groups</td>
<td>34.767</td>
<td>194</td>
<td>0.179</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>34.855</td>
<td>196</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Value Added Services</td>
<td>Between Groups</td>
<td>2.424</td>
<td>2</td>
<td>1.212</td>
<td>5.234</td>
<td>.006</td>
</tr>
<tr>
<td></td>
<td>Within Groups</td>
<td>45.618</td>
<td>197</td>
<td>0.232</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Facilities</td>
<td>Area</td>
<td>Sum of squares</td>
<td>df</td>
<td>Mean square</td>
<td>F</td>
<td>Sig.</td>
</tr>
<tr>
<td>----------------------------------</td>
<td>-------------------------------</td>
<td>----------------</td>
<td>----</td>
<td>-------------</td>
<td>-------</td>
<td>-------</td>
</tr>
<tr>
<td>Infrastructure Facilities</td>
<td>Between Groups</td>
<td>23.551</td>
<td>4</td>
<td>5.888</td>
<td>100.01</td>
<td>0.000</td>
</tr>
<tr>
<td></td>
<td>Within Groups</td>
<td>11.303</td>
<td>192</td>
<td>0.059</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>34.855</td>
<td>196</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Value Added Services</td>
<td>Between Groups</td>
<td>18.413</td>
<td>4</td>
<td>4.603</td>
<td>30.295</td>
<td>0.000</td>
</tr>
<tr>
<td></td>
<td>Within Groups</td>
<td>29.629</td>
<td>195</td>
<td>0.152</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>48.042</td>
<td>199</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial Facilities</td>
<td>Between Groups</td>
<td>3.346</td>
<td>4</td>
<td>0.836</td>
<td>3.160</td>
<td>0.015</td>
</tr>
<tr>
<td></td>
<td>Within Groups</td>
<td>51.612</td>
<td>195</td>
<td>0.265</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>54.958</td>
<td>199</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Environment Protection Services</td>
<td>Between Groups</td>
<td>16.940</td>
<td>4</td>
<td>4.235</td>
<td>18.791</td>
<td>0.000</td>
</tr>
<tr>
<td></td>
<td>Within Groups</td>
<td>43.948</td>
<td>195</td>
<td>.225</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>60.889</td>
<td>199</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Developmental Activities</td>
<td>Between Groups</td>
<td>167.929</td>
<td>4</td>
<td>41.982</td>
<td>26.827</td>
<td>0.000</td>
</tr>
<tr>
<td></td>
<td>Within Groups</td>
<td>305.159</td>
<td>195</td>
<td>1.565</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>473.089</td>
<td>199</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The above table presents the result of one way ANOVA test for respondents of different location responding for their level of satisfaction for different facilities provided by their respective GIDC and it is found that respondents are having different views for Infrastructure Facilities, Value Added Services, Environment Protection Services and Developmental Activities at 0.05 level of significance. Only for Financial Facilities, their responses are not significantly different.

2. **Hypothesis-2**: There is no significant variance in responses of entrepreneurs located at different places for facilities provided by GIDC.

3. **Hypothesis-3**: There is no significant variance in responses of entrepreneurs managing business with different forms of organization for facilities provided by GIDC.
ANOVA test is also carried out to find out difference of response among respondents managing their business with different forms of organization for their responses regarding different facilities provided by GIDC. It can be seen from the above table that they are not significantly differ in their ratings for all facilities – Infrastructure Facilities, Value Added Services, Financial Facilities, Environment Protection Services, Developmental Activities.

**Major Findings**

1. All the selected chemical units are located in the industrial estates and all are involved in manufacturing sector. Among them 50 (25%) units are from Ahmedabad (Odhav, Vatva and Naroda), 35(17.5%) are from Nandesari, 45 (22.5%) are from Ankleshwar, 27 (13.5%) are from Sachin and the rest 43 (21.5%) are from Vapi.

2. Majority (100=50%) of the chemical units fall under the SSI category, while the remaining 49 (24.5%) and 51 (25.5%) fall under medium scale and large scale industries category respectively.

3. Most of the respondents are male. Only 12 (6%) respondents are female.

4. 156 (78%) respondents have not taken any type of training before starting the chemical unit. Only 44 (22%) respondents have taken training, of which 33 have taken training from EDII. Maximum 13 respondents of Ahmedabad are trained.

5. Entrepreneurs in the chemical field believe that one must have self confidence, goal orientation and risk taking ability compared to other qualities. However, they also believe that qualities of creativity, need of achievement and quick action are less important to be an entrepreneur.

6. Majority respondents of all the industrial estates except Ahmedabad are satisfied with “Approach Road” facility

7. Almost all the respondents of Ahmedabad, Nandesari, Ankleshwar and Vapi are satisfied with “Water Supply” facility, but all the respondents of Sachin estate are totally dissatisfied with it.

8. All the respondents of Nandesari, Ankleshwar, Sachin and Vapi are fully satisfied with “Drainage” facility, but all the respondents of Ahmedabad either say it is not available or say it is available but poor or very poor.
9. Almost all the respondents of Ahmedabad say that the facility of “School / Library” is not available in Ahmedabad estate
10. Almost all the respondents believe that they have no benefit of the facilities of “Cinema Hall, Ware House and Vegetable Market
11. Majority respondents believe that the facilities of internal road, water, drainage, post office, bank, insurance, hotel, government notified area office and hospital are good or very good, while the facilities of land and building, school and ware house are poor or very poor. They also think that the facilities of electricity supply, housing, telecommunication, transport, petrol pump and fire station are average.
12. Majority of the respondents say that GIDC does not play proper role regarding grievance handling.
13. The services of “Auditorium, Garden and Technological Support” provided by GIDC are not satisfactory. In short, almost all the value added services are either poor or average
14. Maximum respondents of all the industrial estates are satisfied with CETPs (Common Effluent Treatment Plants) facility provided by GIDC or / and Industries’ Association.
15. Almost all the Developmental Activities (Training Assistance, Special Training Provision, Lectures regarding New and Innovative Methods and Lectures regarding Current Affairs) are either poor or average and, therefore, majority respondents are not satisfied with them.
16. Majority (62.5%) respondents agree that they are satisfied with GIDC. It shows that GIDC is providing better facilities to the respondents. But they are not fully satisfied.
17. 115 (57.5%) entrepreneurs believe that the today’s situation of entrepreneurs in chemical industry is good, of which maximum 29 are from Ankleshwar.

Major Suggestions

1. Entrepreneurship is a new subject and therefore, it will take time to absorb in our mind and heart, which is traditionally prepared to take a job / service. In India majority of the people are actually job seekers rather than job creators. This is a traditional perception. The real motivation should be given at a very initial stage and creating awareness about the past successful entrepreneurs’ performance to overcome this hurdle in the pace of growth and development of entrepreneurship even at rural areas.
2. It was observed by the Researcher that very few entrepreneurs have taken training before starting their chemical unit. The Researcher, therefore, strongly suggests that GIDC should frame better training programmes for new and potential entrepreneurs to develop managerial, conceptual and technical skills and implement them by the help of EDII, CED and other institutions.
3. During the research study, the Researcher has observed that “Accept Challenges” and “Self Employment” are the most important motivating factors for starting chemical unit. The young generation and potential entrepreneurs who want to launch chemical unit should aware of these motivating factors and accept them heartily.
4. After research study the Researcher strongly recommends that those who want to accept chemical field as a profession must have the qualities of self confidence and risk taking ability.
5. During the research study, the Researcher has found that most of the entrepreneurs of Naroda Industrial Estate in Ahmedabad are satisfied with “Approach Road” facility provided by GIDC, but majority entrepreneurs of Vatva and Odhav Industrial estate in Ahmedabad are not satisfied with this facility. The Researcher, therefore, strongly suggests that GIDC and Industries’ Association should join hands with each other for providing asphalted roads that link each plot within both the estates in Ahmedabad.
6. Most of the entrepreneurs are not satisfied with “Land and Building” facility provided by GIDC. Entrepreneurs of chemical industry should, therefore, be given proper land and building facility by GIDC.
7. GIDC should provide “Warehouse”, “Cinema Hall” and “Vegetable Market” facilities, which are not available at present in the industrial estates.

8. During the research study, the Researcher has observed that GIDC does not play proper role regarding “Grievance Handling”. The Researcher, therefore, strongly recommends that GIDC should try to understand the causes of dissatisfaction of respondents and solve them immediately where and when needed.

9. Almost all the “Value Added Services” provided by GIDC in the industrial estate are poor or average. GIDC should, therefore, improve quality of “Value Added Services” like Common Canteen, Auditorium, Shopping Centre, Garden and Technological Support and make them attractive and useful for entrepreneurs, employees and all the persons of industrial estate.

10. GIDC should plant more and more trees and provide green belt facility in almost all the industrial estates for pollution control and environment protection and this will be helpful to the whole mankind in solving the universal problem of recent time – Global Warming.

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