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## Socio-economic profile of owner-managers (leaders) of small business enterprises- with special reference to anantapuramu district

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### Abstract

Leadership is one of the major factors determining the effectiveness of a getup of an organization. The earliest studies in leadership focused on traits that are expected to differentiate leaders from non-leaders were such external aspect of the leader but more are to be attributed to talent skills such as scholarship knowledge good decision-making, initiative, originality and self confidence. In this context, it must be remembered that every organization whether small or big should have its own customized leadership styles and skills to succeed in enterprise management. In absence of appropriate styles and skills, owners tend to learn and seek development through trail and error method which costs organizations substantially. It also reduces leadership and talent vacuum in the industry apart from minimizing the dependency on outside expert help. Industries outside scorch for managers whenever there is an internal scarce will also decline or become skills. Further, owner-managers groomed in a particular mode compatible with the economy, culture, technology and strategy will certainly have no substitute outside. Hence, this paper highlights for socio-economic conditions of owner-managers of leaders in anantapur district of Andhra Pradesh.

### 1. Introduction

The leadership is an indispensable force for effective and efficient management of an organization irrespective of its size and nature. Even the best workers as to know how they can contribute to organizational goals and less enthusiastic workers direly require leadership based on external motivation to keep their goals compatible with those of the organizations. Leadership is the ability to persuade others to week defined objectives enthusiastically. It is the human factor that binds a group together and m motivates it towards goals.

The analysis of Socio-economic and educational background of the leaders is almost a pre-requisite to any meaningful understanding of personality, leadership skills and styles and also leadership effectiveness. Leadership is not like an 'iron ball' used in pin-ball play, rather, being a human being is related to other human beings through different sets of relationships. Besides, leaders approach to different groups is influenced by the whole hierarchy of relationships which influence him as a person also. Therefore, an understanding of the socio-economic conditions of the leaders hail from is essential to any systematic analysis of leader's personalities, their skills and leadership styles. Leadership is described as the social mobility to the highly dependent on the social and economic circumstances of the individual. An analysis of social background is still more significant in the context of the leadership because it does not only decide the astrictive status, style of life and class positions but also the capacity of leaders to sustain struggle for power and authority. In ascription-oriented society, as India is the social existence and also as business leaders become all the more significant in understanding leadership process in general and nature and structure of leadership in small business organizations in particular.

### 2. Objectives

1. To study the importance of leadership in Small Business Enterprises
2. To identify the effective small business enterprises in Anantapuramu district
3. To analyse socio-economic conditions of owner-managers

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### 3. Sampling

The study area is within Anantapuramu district. It is one of the industrial backward areas in rayalaseema region of Andhra Pradesh. In the district all small business enterprises altogether 9422 (agro-based, mineral, chemical, engineering and forest based) and select from these only 300 sample respondents using stratified randomly.

### 4. Data source

In this empirical study, the data were collected both primary and secondary sources. Secondary data were collected from journals, books and dailies. Primary data collected from owner- managers (leaders) of small business enterprises in

Anantapuramu district of Andhra Pradesh through structured interview schedule.

### 5. Tools

Caste has been found to be the most powerful institution in the power structure in India including the industrial base. Traditionally, the industrial leadership has been a monopoly of the high caste communities. But the empirical studies point out that the due importance given by the Govt. at all levels, now the industrial leadership is gradually moving the numerically dominant communities like Backward, Scheduled Caste and Scheduled Tribes in the country and more so industrially backward areas like Anantapur district.

**Table 1:** Caste –wise distribution of owner – managers

Sl. No	Caste	No. of Respondents	Percentage to total
1	Forward Caste	126	42.00
2	Backward Caste	115	38.33
3	Scheduled Caste	28	9.33
4	Scheduled Tribe	6	2.00
5	Other communities	25	8.24
Total		300	100.00

Source: Field Survey

Of the 300 owner-managers selected in the study in Anantapur district, as many as 126 owner-managers representing 62 per cent belong to forward caste followed by Backward caste (38.33 per cent), Scheduled Caste(9.33 per cent) other communities will Muslims and Christians (8.24 per cent) and only 2 per cent of owner-managers are from the Scheduled Tribes.

#### 5.1 Age

Age is an important characteristic of human beings. It does not only refer to physical and psychological maturity of man but

also serves as an indication of his experience, knowledge and worldly wisdom. Age is quite significant to a leader for whom both experience and maturity are essential in role-performance. It has also been pointed that the leaders of aged ones will have the problems to accept the new changes and challenges while the youngsters may bold enough work even in any conditions and willingness to work in any environment. Needless to say that age is an important factor that may influence the style of functioning, skills acquired and ability to handle any situation tactfully.

**Table 2:** Classification of respondents according to age

Sl. No	Age (in years)	No. of Respondents	Percentage to total
1	25-35	35	11.70
2	35-45	112	37.30
3	45-55	108	36.00
4	55 and above	45	15.00
Total		300	100.00

Source: Field Survey

Age - wise classification of selected respondents is presented in table 2. It is understood that 112 respondents in the study are in the age group of 35-45 years, 108 respondents representing 36 per cent of the total are in 45-55 year age group, 15 per cent of the respondents have fallen 55 years and above and only 35 respondents constituting 11.7 per cent are in the younger age group falling less than 35 years. Besides, the average age group of the respondents are 47 years.

#### 5.2 Family background

Family is the basic unit that influences how an individual thinks and acts. Besides, family is the main source of identification of individual that gives support to the individual to grow as an individual and also to emerge as successful business leader. Because it has been noted that only those who have money and power can afford to start and run the industrial units successfully. It has been pointed out that the

entrepreneurs with large joint family background are found successful in running the industrial units. Family background is found to be the significant factor in the context of leadership. Hence, an attempt is made hereunder to the description of the nature of family background of the selected owner-managers.

Table 3 exhibits details regarding the family background of selected respondents. It is observed from industrial leaders in the small industry that out of the total, 137 respondents hail from the agriculture families followed by business family background (42 per cent) labour (9 per cent) 3.3 per cent of the industrial leaders are from the families of service.

#### 5.3 Educational background

Indian society is in transition. The forces of rapid urbanization, industrialization and expansion of creams of communication are bringing it into the fold of national and even international

stream of life. The intellectuals have considered education as an important agent of social mobility, techno- economic growth and occupational mobility as well. In this context upliftment. For the success of State, efforts oriented towards planned social, economic, political and cultural change in India, it is essential that the people should understand the rules and regulations to start an industry and to manage it day to day activities and this is possible only through education. Besides,

education has special significance and considered to be the agent of socialization and seeking active participation to take up industrial activity as a source of livelihood and economic being an instrument of knowledge, it plays a significant role in the economic and social growth of both individual and the industrial society as well. It also determines individual status and prestige and his functional utility even to the industrial society.

**Table 3:** Family background of the select owner –managers

Sl. No	Family back ground	No. of Respondents	Percentage to total
1	Agriculture	137	45.70
2	Business	126	42.00
3	Service	10	3.30
4	Labour	27	9.00
Total		300	100.00

Source: Field Survey

**Table 4:** educational background of the select owner-managers

Sl. No	Level of Education	No. of Respondents	Percentage to total
1	Primary School	17	5.70
2	High School	37	12.30
3	Intermediate	85	28.30
4	Degree	132	44.00
5	Post-graduate and Technical education	29	9.70
Total		300	100.00

Source: Field Survey

Educational background of the selected respondents is depicted in table 4. It is noticed from the table that majority of respondents in the study are the industrial leaders with degree background (44 per cent) followed by intermediate (28.3 per cent) high school (12.3 per cent) post-graduation (9.7 per cent)

and primary school education (5.7 per cent). It can also be further observed that majority of the small owner managers are emerging as industrial leaders with college or degree as their basic educational qualification

**Table 5:** showing past experience details of select respondents

Sl. No	Experience	No. of Respondents	Percentage to total
1	Technical Experience	3	01.00
2	Administrative	70	23.30
3	Business	209	69.70
4	No. past experience	18	6.00
Total		300	100.00

Table 5 demonstrates the details about the past experience that helped the small industrial leaders in running their present industry. It is understood from the table that business as the past experience is helping to 69.7 per cent respondents to run their industry, 23.3 per cent have administrative experience

and that is helping them to run their business and six per cent of owner-managers are able to run their industrial units without any past experience and only one per cent of the respondents have stated that their technical experience is helping in managing industrial organisations.

**Table 6:** No. of years of experience of the respondents in the present business

Sl. No	No. of years of experience	No. of Respondents	Percentage to total
1	>3	6	02.00
2	3-6	29	09.70
3	6-9	67	22.30
4	9-12	85	28.30
5	12 and above	113	37.70
Total		300	100.00

Source: Field Survey

Table 6 furnishes the particulars about the total number of years of experience with which the current business is being run. As per the responses given by the respondents, it is found that 37.7 per cent of the small industrial leaders in the district have more than 12 years, 85 out of 300 respondents have stated that they have 9-12 years of past experience in the industrial line, more than one-fifth of the respondents have

putin between 6-9 years of business experience, 9.7 per cent of the respondents have business experience of 3-6 years and only 2 per cent of the selected leaders have less than three years of business experience. On the whole, it is observed that majority of the small business leaders have more than three years

**Table 7:** Idea in starting business units by the select owner-managers

Sl. No	Idea in starting business unit	No. of Respondents	Percentages to total
1	Family experience in the same line	100	33.30
2	Educational background	22	07.30
3	Demand for the product	139	46.40
4	Information of the Govt. agencies	39	13.00
	Total	300	100.00

Source: Field Survey

Table 7 incorporates the details regarding the idea that prompted in starting the business unit among the selected owner-managers. The details clearly indicate that the demand for the product that is being produced among the public is the real instinct in starting the business by 46.4 per cent of the selected respondents. This is followed by family experience (33 per cent) support from the Govt. (13 per cent) and educational background also instilled to start a business unit

by 7.3 per cent of the respondents. Thus, it can be inferred that the small industrial leaders could identify the products which have the market potential and accordingly they started the business organizations. Family experience, educational background and information by the Govt. agencies are also found as the important encouraging factors in starting the business units.

**Table 8:** Encouraging factors in starting the business unit

Sl. No	Encouraging factor	Total	Percentage to total
1	Self-intuition	37	12.30
2	Parents	150	50.00
3	Friends	10	03.30
4	Relatives	5	01.70
5	Support from the Govt. Dept	24	08.00
6	Previous experience	74	24.70
	Total	300	100.00

Source: Field Survey

As per the details regarding the encouraging factors in starting the business, as is found in table 8, disclose that 150 out of 300 respondents have held that factor their parents are in the real spirit and encouraging actors in running their business unit. About 24.7 per cent of the respondents have stated that their previous experience in business activity is the encouraging factors followed by the respondents self-intuition,

support from the Govt. (8 per cent) encouragement given by the friends (3.3) and moral support extended by their relatives. The overall observation of the table obviously brings us to conclude that encouragement by the parents, previous experience on the business field and owner-managers' self-intuition and venturesome are the encouraging factors in starting the business units.

**Table 9:** Training programmes attended by the respondents

N=300

Sl. No	Training programmes	No. of Respondents	Percentage to Total
1	Skill upgrading training	135	15.55
2	Management Development Training	252	29.03
3	Vocational training	86	9.90
4	Entrepreneurship Development Programme	155	17.85
5	PMRY training	240	27.67

Source: Field Survey

For promotion of small business enterprises some institutional help is being extended by the Govt. They include Skill Upgrading, Management Development, Vocational Training, Entrepreneurship Development, Prime Minister Rojgar Yojana are some of the training programmes being provided for helping the industrial entrepreneurs. A question is addressed to the selected respondents seeking their opinion to mention the number of training programmes attended by them. From table 9 it can be understood that 252 (15.55%) have attended the Management Development Training Programmes, 240

(27.67%) respondents have attended PMRY training programme, 155 (17.85%) received DEP training, 135 (15.55%) have said that they received skill upgrading training and 86 (9.90%) of the respondents have disclosed that they did receive vocational training programme. This clearly implies that majority of the selected respondents have attended and received different training programmes conducted by different institutions. This, indeed, might have helped the selected respondents, one form or the other in updating their managerial and business skills.

**Table 10:** Table showing skills/qualities developed by the select respondents through training programme  
N= 300

Sl. No	Skill/qualities	Total	Percentage to total
1	Self-confidence	260	31.00
2	Management of Business units	161	19.00
3	Communication skills	270	32.10
4	Technical knowledge	150	18.90

Source: Field Survey

Table 10 identifies the skills and qualities developed by the selected respondents through the training programmes attended by them. All the 300 respondents selected for the study have stated that the training programmes attended by them helped in upgrading their skills and qualities for effective management of their business enterprises. According to the table, it can be understood that 270 representing 32.1 per cent have stated that they gained communication skills, 260

constituting 31 per cent have said that the training programmes have instilled in them a sense of self-confidence, 161 respondents have said that they learnt the skills in day-to-day management of business while 150 respondents have positively reacted and stated that they got required technical knowledge by attending the training programmes attended by them conducted by different training institutes.

**Table 13:** showing problems being faced by the respondents

N=300

Sl. No	Problem	Total
1	Technology	28
2	Raw material	51
3	Marketing	72
4	Labour	231
5	Finance	42
6	Competition from Others	55

Source: Field Survey

Table 13 exhibits the problems being faced by the selected owner-managers in running the business units. It is explicitly found that out of the total 300 respondents as many as 231 have felt that the labour is the main problem and constraint in managing their business units. Again 72 respondents have expressed that the marketing, 51 have said that the raw-material, 42 respondents have, however, held that the finance is the problem in managing the industrial units and 28 respondents have stated that technology is the causing concern for them. It is thus, concluded that management of labour or work-force is problem to majority of the respondents in the study.

## 6. Conclusions

From the study under stood that, owner-managers of small business enterprise are more from the farward communities followed Backward, Scheduled castes, other communities and the least from Scheduled Tribes. This study indicates that majority of the owner-managers in the current study are from the above age –group of 35 years but below 55 years and emerging as business leaders in the district especially in small industry. Majority of the industrial leaders, according the selected owner-managers, are from the agricultural and business family background. . Owner –managers with primary and high schools education are found more than one-fifth of the total respondents. Majority of the leaders have a wider and past experience ranging from six to more than twelve years. Therefore, it can be deduced that all the training programmes attended by them and the managerial expertise imparted by the training institutes might have helped them in updating their managerial and leadership skills.

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