



---

## **Entrepreneurial Growth And Development Ecosystem Of Small And Medium Scale Industries (Smes) In The State Of Uttarakhand: An Empirical Study**

**Ritesh Upadhyay** Assistant professor, School of Management, Graphic Era Hill University, Dehradun.

**Amar Kumar Mishra** Professor, Graphic Era Deemed to be University  
[amarkumarmishra.mgt@geu.ac.in](mailto:amarkumarmishra.mgt@geu.ac.in), [Orcid Id 0000-0002-6861-6464](https://orcid.org/0000-0002-6861-6464)

---

### **Abstract**

Small & Medium Enterprises at the moment are a very critical phase of Uttarakhand. They are representative of the most crucial employment-producing region and a powerful device for steady local improvement. The authorities are playing a better function in framing and enforcing the recommendations and the promotional schemes which are in support of the economic sectors of Uttarakhand. This paper focuses on the development of SMEs in Uttarakhand especially focuses on the function of economic and promotional companies in selling small & medium scale industries in Uttarakhand. There reside a few economic companies which include State Infrastructure & Industrial Development Corporation of Uttarakhand Limited (SIDCUL), Integrated Industrial Development Policy (2008) which gives inflexible aid to the improvement of small & medium scale industries in Uttarakhand. This initiative allows satisfying the excessive expectancies of the inhabitants associated with improvement and higher residing standards. SMEs of India have been passing into a transitional period, maintaining ruthless spirit on the peak, with a motive to reshape themselves, dealing with the demanding situations and pop out with shining colors and contribute to the Indian economy.

**Keywords:** Entrepreneurship, Development, Entrepreneurs, Financial and promotional enterprises, SIDCs, SMEs.

### **Introduction**

Having 2 regions-the western Kumaon Mandal zone and the eastern Kumaon Mandal zone, Uttarakhand lies among the beautiful states. State's various vicinity and weather suit the improvement of horticulture, fragrant and medicinal plants, and agro-processing industries. Tourism plays a primary enterprise in this state as it's far land of temples, lakes & mountains, scenic beauty, glaciers, and greenish lush meadows. Private participation in all industrial

**6821 | Ritesh Upadhyay Entrepreneurial Growth And Development Ecosystem Of Small And Medium Scale Industries (Smes) In The State Of Uttarakhand: An Empirical Study**

ventures is being recommended with the aid of using the authorities and as a result, large game enthusiasts alongside HUL and Dabur have installation gadgets withinside the state.

According to Ou (2006), Office for National Statistics (2009), Ergas and Orr (2007), Organization for Economic Co-operation and Development (2005), National Development and Reform Commission (2007), the SME sector is a major contributor to technical innovation and new product developments.

The New Industrial Policy (2003) brought with the aid of using the state authorities' locations initiated the regulatory framework for Uttarakhand's industrialization. The coverage points that private source may be known even as selling integrated Industrial Estates in Uttarakhand. The 'engine of growth for developing economies is being termed to the SME segment. Back few years show there had been significant primary insurance adaptation at the Central level geared closer to developing & consolidating this area. The SME Development Act (2006) is probably the most critical of these ultra-modern insurance changes **(Jain 2012)**.

The State Infrastructure & Industrial Development Corporation of Uttarakhand Limited (SIDCUL), of Uttarakhand enterprise, was known as a restricted corporation withinside the year 2002 to encourage commercial improvement within the state. It offers economic help to assist industries and increase commercial infrastructure inside Uttarakhand at once or through Special Purpose Vehicles, assisted companies, Joint Ventures, etc.

Since 2003, Uttarakhand is leading towards industrialization, however, that was specifically among the plains, following the unique package deal introduced with the aid of using the Centre in 2003. An Integrated Industrial Development Policy 2008 is released for the economic improvement of hilly and far-off regions. Policy targets to rejoice commercial improvement in the industrially backward & far-off hill districts of the state, to increase commercial infrastructure, & to inspire entrepreneurial improvement through marketplace encouragement and economic assist to entrepreneurs.

Manufacturing and services sectors are aimed under the guidelines, which offers a complete structure to permit facilitative, investor-pleasant surroundings to make certain fast and sustainable commercial improvement in Uttarakhand. This can generate more employment possibilities & to result in a big boom inside the State Domestic Product & eventual widening of the useful resource base of the nation This paper explores the demanding situations and possibilities confronted with the aid of using SMEs of Uttarakhand State.

### **Literature Review**

**Todor Balabanov (2002)** discussed the most critical support provider for the non-public Small and Medium Enterprises (SME's), i.e., economic enterprises. The assessment is **6822 | Ritesh Upadhyay Entrepreneurial Growth And Development Ecosystem Of Small And Medium Scale Industries (Smes) In The State Of Uttarakhand: An Empirical Study**

targeted at opportunities that may be realizable beneath the modern political and financial climate. As an end result of successive global programs for the improvement of Business Support Institutions, a few Non-Governmental Agencies had been created and their body of people became knowledgeable to provide guidance to nearby organization communities.

**Patra, S., & Chaubey, D. S. (2014)** mentioned the manufacturing area of the economy. with regards to the overall performance and boom of the world which usually benefits the entrepreneurs. The vital elements of incentives and facilities are the power of energy subsidy, Entrepreneurial training, Land, Marketing Assistance, and Technology Upgrade Scheme that have attracted a variety of entrepreneurs to set up enterprises withinside the state. This concept has contributed to the monetary improvement of Uttarakhand. On the opposite hand, the primary elements to restrict the firms' overall performance withinside the state are scarcity of appropriate manpower and Market limitations. Hence all efforts have to be positioned to conquer this and feature a promising commercial enterprise surrounding the MSMEs. The government authorities have to play crucially in overcoming Inadequate Infrastructural facilities.

**Bhatt, H. C. (2018)** studied that in small and medium firms of Kumoun location of Uttarakhand, transformational management style plays higher in each factor in comparison to transactional management fashion. In this study, the respondents favored transformational management on each variable which includes social communication, development, safety, salary structure, etc. This research confirmed that personnel carry out higher below a transformational management fashion. The important evaluation of records well-known shows that SMEs want to enhance some elements of the enterprise consisting of the salary structure of personnel, process safety, individual rights, and work-existence stability. If organizations comply with comparable salary charges or salaries for each individual who plays the equal kind of work then it could enhance the revenue structure of personnel. Even personnel can carry out work optimally without any kind of stress and this is only possible when organizations ensure the job safety of their personnel. To promote work-life balance personnel ought to be given individual rights so that they sense like domestic on the place of business thus leading to effective manpower.

**Agarwal, A. (2020)** focused upon the desired elements influencing the improvement of entrepreneurship in Garhwal area of Uttarakhand State of India. Uttarakhand has begun out many projects trying to give itself as an exemplary location for startups despite the fact that the authorities' schemes additionally have resulted in the registration of sixty-six startups. It can be said that these startups have already commenced making their mark at the Healthnet, Agriculture, and Tourism industries across the world. The crucial elements for the improvement of agribusiness consist of amalgamating control information with local information, with acute eagerness to do work, the usage of cutting-edge instructional

**6823 | Ritesh Upadhyay Entrepreneurial Growth And Development Ecosystem Of Small And Medium Scale Industries (Smes) In The State Of Uttarakhand: An Empirical Study**

strategies and techniques. The different elements including entrepreneurship boom are information about the nearby market, sharing of commercial enterprise advantages with employees, efforts of rate stabilization, and elimination of middlemen through the authorities. Adding to it, having a supportive circle of relatives is likewise one of the most crucial elements affecting entrepreneurship development.

The end outcomes suggest that an upward thrust in age, gender, marital status, and commercial enterprise size at once affects the involvement in agribusiness. Also, advertising elements accompanied by social and monetary elements had been ranked maximum among the opposite elements in figuring out the significance of the improvement of agribusiness entrepreneurship. This examination exhibits that apart from own circle of relative's length and number one career all elements have a fine correlation with the extent of involvement in agribusiness enterprise. On the opposite hand, secondary career and academic attainment had been now no longer substantially related. The significance of agribusiness small and micro firms performs an essential function withinside the monetary improvement of the place.

**Agarwal, S., et all (2020)** suggested to expand a more potent as well financially sound and strong women's social agency community's version because the entrepreneurship isn't approximately gendered; it's miles an annoying truth that women are forever faced with a bigger wide variety of deterrents than their male counterparts. The government must initiate monetary and promotional schemes for the improvement of women entrepreneurs. This study provides value from both the theoretical and coverage perspectives.

Policymakers need to expand a holistic version to create social establishments more competent, successful, impactful & resilient. The government needs to emphasize promotional rules and improvement packages for encouraging women to emerge as entrepreneurs. Additionally, this study emphasized policymakers to amplify the usage of the social agency' version supplied on this take a look at amongst women, strengthening institutions with programs of investment, mentoring, guide and training.

**Singh, G., & Kumar, N. (2015)** explored entrepreneurial improvement that is taken into consideration as the concern region in the improvement coverage in lots of countries. Small scale Entrepreneurs (SSE) are engaged in numerous styles of organizations which range from electronics, then engineering to electrical, fabric to pipe & steel industry, production to meals procedure, schooling to handicraft business. In financial improvement small organizations play an essential function because they are able to offer the financial system innovation, employment, efficiency and competition. Entrepreneurs are trustful for the triumph in their agencies and must face up to a number of demanding situations in doing so.

**6824 | Ritesh Upadhyay Entrepreneurial Growth And Development Ecosystem Of Small And Medium Scale Industries (Smes) In The State Of Uttarakhand: An Empirical Study**

This paper has tested the impact of traits & the advertising practices followed through the company at the entrepreneurial improvement of SSI in Uttarakhand. The feature of company & enterprise exercise is located to be a great issue for SSE fulfillment in Uttarakhand.

**Kaushal, M. D., et al (2014)** discussed about promoting or developing women's entrepreneurship in Uttarakhand where the efforts of public and personal establishments will really maintain to advantage individual women entrepreneurs. Gender bias is the predominant trouble efforts might also additionally stay useless and without any substantial macroeconomic and social impact. But on this global where 'right intentions' and 'remarkable ambitions' have space: not much will change until and unless the authorities who enjoy the powers and privileges of the gender-biased context will either step aside, make room or interact on this undertaking for social change.

Here, by taking a feminist angle can be beneficial because of its 'political' nature in the sense that it intrinsically requires change and alternatives. This is because the gender bias in entrepreneurship isn't inevitable: human beings have made it, and it isn't the handiest obligation of the authorities to take initiative however each person who can convey the change.

**Singh, S. V. (2014)** investigated the extensive tourist potential in Uttarakhand. Since historical instances, it's been receiving a massive wide variety of travelers annually. Sustainability standards discuss the monetary, socio-cultural & environmental components of tourism improvement. The authorities can set up appropriate stability among those 3 dimensions to assure its long-time period sustainability. The tourist potential of the state in phrases of herbal beauty, ancient and archeological sites, video games and sports activities, culinary and non-secular sites, and different elements because of the most important pull elements. In Uttarakhand tourism continues to be withinside the discovery degree and it could be a superb possibility for entrepreneurial improvement. Here, now no longer simplest the herbal or ancient sites however additionally big reservoirs of conventional and cultural heritages nevertheless continue to be unearthed. People are absolutely eager to discover it all, for the improvement of the complete state. The monetary situation of the state represents that home tourism accepts unique coverage interest if tourism is anticipated to come to be a device for inclusive improvement. Domestic tourism visitors will simply boom as Indians are travel-orientated now no longer simplest for amusement however as a socio-cultural or non-secular norm.

**Osmond, O. N., & Paul, O. C. (2016)** derived empirical conclusions with recognize to financing alternatives to be had to SMEs and that good enough capital and credit score have remained a key fulfillment element for SMEs. There isn't any any smooth get admission to to economic budget that are to be had numerously. Inadequate get admission to to economic

**6825 | Ritesh Upadhyay Entrepreneurial Growth And Development Ecosystem Of Small And Medium Scale Industries (Smes) In The State Of Uttarakhand: An Empirical Study**

assets and credit score centers casual economic establishments persisted to persist due to the fact there are greater discerning of their desire of SMEs they pick out to finance. These establishments supply greater short-time period business credit score to SMEs due to better hobby expenses than disbursement from the SMEEIS fund. The situations for having access to the SMEEIS fund are very stiff and unrealistic. There isn't any any clean widespread guiding principle for all banks to conform with. The unregulated casual economic intermediaries offer huge and powerful get admission to credit score centers thru savings mobilization. The disadvantage is that their portfolio does now no longer cope with the issues of micro-enterprises whose degree of economic want continues to be too low to satisfy the Fund's most suitable scale of investment. They are also ignorant of the blessings of the usage of the inventory marketplace as a supply of financing. The comfortable listing necessities of the second-tier protection marketplace have now no longer been absolutely exploited. Among the sampled SMEs, none accessed the budget withinside the second-tier protection marketplace.

### **Objective of the Study**

To study the role of financial and promotional enterprises in promoting small & medium scale industries in Uttarakhand.

### **Methodology**

The study is empirical in nature. 160 respondents participated in the study. The data was collected from them through a structured questionnaire. Mean and t-test application was done to identify the results. The method of sampling was convenience sampling.

### **Finding of the study**

Table 1 displays the gender, where male respondent is 54.37 and female respondent is 45.62%. Looking at the Age of the Respondents, those who are of 25 to 30 years are 34.75%, those between 30 to 35 years are 36.17%, and 35 years and above are 37.50%. With reference to business size, small sectors are 57.50% and medium sectors are 42.50%. Looking at the business sector, Agriculture is 38.75%, Service is 43.26%, and Industry is 26.24%.

**Table1 Respondent's Details**

<b>Variable</b>	<b>No. of respondents</b>	<b>Percentage</b>
<b>Gender</b>		
Male	87	54.37%

Female	73	45.62%
<b>Total</b>	<b>160</b>	<b>100%</b>
<b>Entrepreneur's Age</b>		
25 to 30 years	49	34.75%
30 to 35 years	51	36.17%
35 years & above	60	37.50%
<b>Total</b>	<b>160</b>	<b>100%</b>
<b>Business size</b>		
Small	92	57.50%
Medium	68	42.50%
<b>Total</b>	<b>160</b>	<b>100%</b>
<b>Business sector</b>		
Agriculture	62	38.75%
Service	61	43.26%
Industry	37	26.24%
<b>Total</b>	<b>160</b>	<b>100%</b>

**Table 2 Entrepreneurial Growth and Development of SMEs**

Serial No.	Statement of Survey	Mean Value	t-Value	Sig.
1.	SMEs are a powerful device for steady local development.	4.48	12.614	0.000
2.	SMEs are playing an important role in the economic development of the state.	4.32	9.927	0.000

3.	The Governments are playing a better function in framing and enforcing the financial and the promotional schemes.	4.20	8.264	0.000
4.	SIDCUL offers economic help to assist industries and increase commercial infrastructure in Uttarakhand.	4.11	6.151	0.000
5.	Lack of financing schemes can hinder the development of SMEs operating in the state.	4.12	6.561	0.000
6.	SMEs expects to help widespread equal distribution of income and wealth.	4.38	10.502	0.000
7.	Gender disparities is the major challenge in the development of SMEs.	3.68	2.232	0.014
8.	The SMEs has been supported and encouraged by various government policies for infrastructure support, technology up-gradation, preferential access to credit, etc.	4.30	10.971	0.000
9.	SMEs provides opportunities to a large number of capable and potential entrepreneurs who are deprived of appropriate opportunities.	3.59	1.175	0.121
10.	SMEs can reap the benefits of lean production and can find new cost-efficient techniques of lean production.	4.22	9.457	0.000

Table2 displays the Mean values for statement for the study done to know the “Entrepreneurial Growth and Development of SMEs in Uttarakhand”, looking at the mean scores, the highest mean score is gained by the statement “SMEs are a powerful device for steady local development., the mean score of 4.48,” next statement is “SMEs expects to help widespread equal distribution of income and wealth” has the mean score of 4.38. SMEs are also found to be responsible for economic development as shown in statement “SMEs are playing an important role in the economic development of the state” having the mean value of 4.32. Another concern of financial development is government initiatives “The SMEs has been supported and encouraged by various government policies for infrastructure support, technology up-gradation, preferential access to credit, etc.” the mean score is 4.30, statement “SMEs can reap the benefits of lean production and can find new cost-efficient techniques of lean production.” shows the mean value of 4.22, mean value of 4.20 is scored by statement “The Government are playing a better function in framing and enforcing the financial and the promotional schemes”. “Lack of financing schemes can hinder the development of SMEs operating in the state.” mean score is 4.12. The statement “SIDCUL offers economic help to assist industries and increase commercial infrastructure in Uttarakhand” shows the mean



value of 4.11. The last two statements are in lowest range, “Gender disparities is the major challenge in the development of SMEs.” mean value of 3.68, statement “SMEs provides opportunities to a large number of capable and potential entrepreneurs who are deprived of appropriate opportunities” has the mean value of 3.59. T-value of every statement in context of Entrepreneurial Growth and Development of SMEs in Uttarakhand is significant, except for the statement that **“SMEs provides opportunities to a large number of capable and potential entrepreneurs who are deprived of appropriate opportunities.”** because t-value for all the statements is found to be positive and significance value also less than 0.05. Only for the statement “SMEs provides opportunities to a large number of capable and potential entrepreneurs who are deprived of appropriate opportunities.” the value was not found significant.

### **Conclusion**

Having flexible Industrial policies, Uttarakhand offers an extensive variety of monetary incentives among industries. State beholds many commercial estates. Many policies are targeted to offer a complete framework to permit facilitating, investor pleasant surroundings for making sure fast and viable commercial improvement in Uttarakhand and, by this, produce more employment possibilities and to result in considerable growth in the State Domestic Product and resource base of the State. For strengthening entrepreneurial areas in India specialized Financial Institutions are dropping pivotal functions. Establishing Enterprises, rising capability marketers want monetary supports. Venture capital financing extensively helps commercial devices in entrepreneurship would love to appoint the modern techs for the production of industrial products. Diverging marketers should be into a strange challenge and manufacture new products, ready to be examined inside the market. The task capital finance has been finishing at the instructive position in the commercial zone for the improvement of small-scale industries specifically in developing countries like India. Uttarakhand is already set out many tasks to provide itself as an idle vicinity for startups; the authorities' schemes have ended in the registration of sixty-six startups.

### **References**

Agarwal, A. (2020). Entrepreneurship Development in Agribusiness Enterprises A Study Of Garhwal Mandal Region Of Uttarakhand State Of India. *International Journal of Management (IJM)*, 11(11).

Agarwal, S., Lenka, U., Singh, K., Agrawal, V., & Agrawal, A. M. (2020). A qualitative approach towards crucial factors for sustainable development of women social entrepreneurship: Indian cases. *Journal of Cleaner Production*, 274, 123135.

Agarwal, A., & Pandey, M. Entrepreneurship Development in Agribusiness Enterprises: A Study of Kumaun Mandal Region of Uttarakhand State of India.

Patra, S., & Chaubey, D. S. (2014). Factors Influencing Industrial Performance: An empirical Study with Special reference to The MSMEs of Uttarakhand State.

Osmond, O. N., & Paul, O. C. (2016). Small and medium scale enterprises financing in Nigeria: Problems and prospects. *International Journal of Innovative Social Sciences and Humanities Research*, 4(1), 77-86.

Singh, G., & Kumar, N. (2015). Marketing Strategies Efficiently Used by Small Scale Industries. (A Case Of Uttarakhand). *Journal of Marketing & Communication*, 11(1).

Bhatt, H. C. (2018). Leadership styles and quality of work life in small and medium scale enterprises of kumoun region of uttarakhand. *Journal of Strategic Human Resource Management*, 7(1), 23.

Khan, M. A., Jain, V., Sahani, D., & Sharma, G. (2013). A study on role of SMES in Indian economy. *ZENITH International Journal of Business Economics & Management Research*, 3(12), 208-214.

Kaushal, M. D., Negi, A., & Singhal, M. C. (2014). The gender gap in entrepreneurship and how to overcome it: A study of women entrepreneurship promotion in Uttarakhand State. *Global Journal of Finance and Management*, 6(2), 157-164.

Jain, V., & Jain, A. (2012). A Study & Scope of SMEs in Uttarakhand and Problems faced by them. *Asian Journal of Business and Economic*, 2.

Chakravarthi, A. (2012). The role of small industries development bank of India (SIDBI) in developing the micro, small & medium enterprises (MSMES) in India. *EXCEL International Journal of Multidisciplinary Management Studies*, 2(10), 17-37.

Chauhan, M. A., & Singh, L. K. (2015). Priority sector advances trends, issues and strategy: A case study on Kumaun region. *International Journal of Advance Research Innovative and Innovative Ideas in Education*, 1(5), 293-305.

Mittal, S., Tripathi, G., & Sethi, D. (2008). Development strategy for the hill districts of Uttarakhand (No. 217). working Paper.

Batola, M., & Singh, G. (2017). Financial policies in women entrepreneurial development (A case of Uttarakhand). *Asian Journal of Management*, 8(1), 49-58.

**6830 | Ritesh Upadhyay Entrepreneurial Growth And Development Ecosystem Of Small And Medium Scale Industries (Smes) In The State Of Uttarakhand: An Empirical Study**

Singh, S. V. (2014). Marketing Outlook & analysis of Uttarakhand tourism. International Journal of Management, IT and Engineering, 4(10), 1-11.