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Inter sectoral comparison regarding strategic response process of some entrepreneurs

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Abstract

The paper makes inter sectoral comparison regarding strategic response process. To make this comparison, a study was conducted. The study aimed to highlight major strategic techniques for the success of first and subsequent entrepreneurs. There were 104 variables in total being reduced to 29 factors in the whole study regarding strategic response process, there were five factors namely a) Influence of Liberalization, Globalization and Privatization b) Strategic Entrepreneur c) Expert Opinion Seeker d) Advance Planning And Quick Decision Making e) Faith In Capacity Building.

Keywords: Globalization and Privatization, regarding strategic response process, Capacity Building

Introduction

As the objective is to make the inter sectoral comparison regarding strategic response process between entrepreneurs i.e. for example, if competitor lowers the price of his product, whether the entrepreneur concerned also retaliates i.e. lowers the prices too which is called cut throat competition.

Another issue of strategic management is whether workers are participated in management and those too at what level. Whether at seat on board of directors. What practice prevails on this front that is to be seen. Much remains to see on the strategic front viz. whether they do SWOT ANALYSIS, they frame policies, they view business from long term point of view, they have time frame in their minds etc. In general, strategic management determines vision and mission of entrepreneurs.

Studies for Strategic Behaviour

Business is run by managers and will react aggressively if they believe that entry could significantly affect profitability of firms. Some of their strategic behaviours are: Limit Pricing, Price Retaliation, Capacity Expansion, Market Saturation (Managerial Economics, MBA Study Notes, GJU Hisar).

Scope & objectives of the study

The study is a part of a larger study which made the inter sectoral comparison regarding the strategic response process of entrepreneurs in case of first & second generation entrepreneurs of Haryana besides some other investigations. In process, it tried to tell which strategic response processes are the major factors behind the success of first and subsequent generation entrepreneurs.

Methodology

The investigation was done by using the structured schedules consisting of variables related to the required objective. Survey was completed by getting those filled by 200 entrepreneurs, (100 first generation & 100 subsequent ones). Respondents were selected by the stratified random sampling. Convenient sampling was also used. The variables were rated on 5 point Likert scale.

Factor Analysis was used to club the relevant / similar variables i.e. factors besides Central Tendency & ANOVA (for inter sectoral comparisons) were also used.

Findings/Results & Discussion

The findings are reported under 5 subheadings which correspond to the 5 factor groups'. These factors were framed out of these 18 questions.

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Sr. No.	Statement
(i)	I do the swot analysis (The diagnosis of a firm’s strengths, weaknesses, opportunities & threats) for the successful running of my business
(ii)	Ideas generation and its development is very necessary for my business.
(iii)	As an entrepreneur, I have time frame in my mind.
(iv)	I see the business from long-term point of view.
(v)	I believe in spot decisions making.
(vi)	I formulate policies for smooth running of my business.
(vii)	I take care that my policies are being implemented.
(viii)	I introduced new technology to cope up with competition.
(ix)	I change my strategy to the change of business and environment
(x)	I opt the strategy of mergers and acquisition if the opportunities come.
(xi)	I avail the opportunities of joint venture to expand my business.
(xii)	Liberalization, Globalization and Privatization have compelled me to change my business strategy.
(xiii)	I always keep an eye on the movement of my competitors in the market.
(xiv)	I involve my employees to make the long term business planning
(xv)	I opt to expand the business as a green field project.
(xvi)	I will dispose of my product or products if these are not acceptable in the market.
(xvii)	I will hire the consultant to take the strategy decision of my business.
(xviii)	I will dispose of the whole business or a unit if it does not give the growth.

As Factor Analysis was used to club these into 5 factors.
 So, the factors being constructed were:
 Factor a = Influence of Liberalization, Globalization and Privatization (Q.10+Q.11+Q.12+Q.16)
 Factor b = Strategic Entrepreneur (Q.1+Q.3+Q.7+Q.8+Q.9)

Factor c= Expert Opinion Seeker (Q.14+Q.17+Q.18)
 Factor d = Advance Planning and Quick Decision Making (Q.5+Q.6+Q.13)
 Factor e = Faith in Capacity Building (Q.2+Q.4+Q.15)
 One by one interpretation follows:

Factor a: Influence of Liberalization, Globalization & Privatization

Table 1.1: Sector wise population means and standard deviations for Influence of Liberalization, Globalization & Privatization

	N	Mean	Std. Deviation
Auto Product	10	16.4	2.17
Iron & Steel	18	12	6.08
Metal	24	11.92	4.48
Plastic	18	12.33	5.25
Textile	64	10.13	5.84
Misc	66	12.76	4.89
Total	200	11.89	5.38

Table 1.2: Anova Table Influence of Liberalization, Globalization & Privatization

	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	456.225	5	91.245	3.34	0.006
Within Groups	5299.355	194	27.316		
Total	5755.58	199			

The Significance value in the above table (0.006) shows that there is statistically significant mean difference between at least two sectors at 99% confidence level.

Table 3: Intersectoral comparison for Influence of Liberalization, Globalization & Privatization

Sector 1	Sector 2	Sig.
Auto Product	Iron & Steel	0.034
	Metal	0.024
	Plastic	0.05
	Textile	0.001
	Misc	0.41
Textile	Misc	0.005

Posthoc test gives significant difference between pair of

sectors and result shows that Auto product (16.4) sector was showing significantly higher means that all sectors i.e. Iron and Steel (12) metal (11.92), Plastic (12.33), textile (10.13) and miscellaneous 12.76. Iron and Steel sector (12) was having significantly lower mean Auto Products. Likewise metal (11.92) was also having lower mean significantly statistically than auto products and this factor was influence of globalization and privatization. Plastic group i.e. Bhiwani cluster was also responding lowly than Auto Products sector i.e. Faridabad zone. Faridabad city in general is advance city. Has felt the pulse of LPG more. Textile (10.13) units also responded lowly than even miscellaneous was 12.76. All other mean comparison with regard to factor 'a' i.e. 'Influence of Liberalization, Globalization & Privatization' are not having statistically significant mean differences.

Factor b: Strategic Entrepreneur

Table 2: Sector wise population means and standard deviations for Strategic Entrepreneur

	N	Mean	Std. Deviation
Auto Product	10	24.6	0.84
Iron & Steel	18	21.11	6.26
Metal	24	22.5	1.89
Plastic	18	20.67	4.14
Textile	64	24.44	1.15
Misc	66	23.03	2.6
Total	200	23.11	3.08

Table 2.1: Anova Table Strategic Entrepreneur

	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	323.713	5	64.743	8.011	<0.001
Within Groups	1567.867	194	8.082		
Total	1891.58	199			

The Significance value in the above table (0.001) shows that there is statistically significant mean difference between at least two sectors at 99% confidence level.

Table 2.2: Intersectoral comparison for Strategic Entrepreneur

Sector 1	Sector 2	Sig.
Auto Product	Iron & Steel	0.002
Plastic	Auto Product	0.001
	Metal	0.004
	Textile	0
Misc	Iron & Steel	0.012
	Plastic	0.002
	Textile	0.005
Textile	Iron & Steel	0
	Metal	0.005

Post hoc test gives significant difference between pair of sectors and the result shows that Auto Product (24.6) i.e. Faridabad entrepreneurs were having significantly larger

mean values than iron and steel group i.e. Gurgaon zone (21.11) and plastic group (20.67) i.e. Bhiwani Zone. Iron and Steel group besides having lower mean than the auto products. It was also having lower mean than textile (24.44) and miscellaneous group (23.03). Metal (22.5) was higher than plastic and significantly lower than textile (24.44) regarding means. Textile showed not only significantly higher mean to metal, but also to plastic (20.67) and miscellaneous (23.03)

All other mean comparison with regard to factor 'b' i.e. 'Strategic Entrepreneur' are not having statistically significant mean differences.

Factor C: Expert Opinion Seeker

Table 3: Sector wise population means and standard deviations for Expert Opinion Seeker

	N	Mean	Std. Deviation
Auto Product	10	10.6	3.37
Iron & Steel	18	13.22	1.66
Metal	24	10.17	2.2
Plastic	18	12.44	2.62
Textile	64	7.44	4.46
Misc	66	11.03	3.41
Total	200	10.08	3.99

Table 3.1: Anova Table Expert Opinion Seeker

	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	787.742	5	157.548	12.805	<0.001
Within Groups	2386.978	194	12.304		
Total	3174.72	199			

The Significance value in the above table (0.001) shows that there is statistically significant mean difference between at least two sectors at 99% confidence level.

Table 3.2: Intersectoral comparison for Expert Opinion Seeker

Sector 1	Sector 2	Sig.
Textile	Auto Product	0.009
	Iron & Steel	0
	Metal	0.001
	Plastic	0
	Misc	0
Metal	Plastic	0.039
	Iron & Steel	0.006
Iron & Steel	Misc	0.02

Posthoc test gives significant difference between pair of sectors and the result shows that Auto products and the result shows than Auto product group (10.6) was showing

statistically significant higher means than textile (7.44). Textile group besides being lowly responding significantly lower to Auto product behaved in the same manner to iron and steel (13.22), metal (10.17), plastic (12.44) and miscellaneous (11.03) i.e. Textile group was responding very less, lowly to all. This factor was Expert Opinion Seeker or open minded emotionless decision. It means textile entrepreneurs showed very conservative personality. Iron and steel group (13.22) was also having significantly higher means than metal (10.77) besides than textile and miscellaneous (11.03). Metal was having significantly lesser means iron and steel and metal also even plastic group (12.44) also responded significantly higher the metal (10.17).

All other mean comparison with regard to factor 'c' i.e. 'Expert Opinion Seeker' are not having statistically significant mean differences.

Factor d: Advance Planning & Quick Decision Making

Table 4: Sector wise population means and standard deviations for Advance Planning & Quick Decision Making

	N	Mean	Std. Deviation
Auto Product	10	14.2	1.69
Iron & Steel	18	14.89	0.32
Metal	24	13.5	1.84
Plastic	18	13.44	1.46
Textile	64	14.75	0.71
Misc	66	13.88	1.73
Total	200	14.18	1.46

Table 4.1: Anova Table Advance Planning & Quick Decision Making

	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	56.667	5	11.333	5.961	<0.001
Within Groups	368.853	194	1.901		
Total	425.52	199			

The Significance value in the above table (<0.001) shows that there is statistically significant mean difference between at least two sectors at 99% confidence level.

Table 4.2: Intersectoral comparison for Advance Planning & Quick Decision Making

Sector 1	Sector 2	Sig.
Iron & Steel	Metal	0.001
	Plastic	0.001
	Misc	0.006
Textile	Metal	0
	Plastic	0
	Misc	0

Post hoc test gives significant difference between some pairs of sectors and the result shows that Iron and steel (14.89) is having significantly higher mean response than Metal (13.5), plastic (13.44) and Miscellaneous (13.88). This factor was advance planning & quick decision making. Iron & steel (14.89) group was showing most higher means here. This group entrepreneurs belonged to Gurgaon Zone. Textile group i.e. Panipat Zone here was behaving highly significantly to metal, plastic & miscellaneous (13.88) regarding advance placing & quick decision making. All other mean comparison with regard to factor 'd' i.e. 'Advance Planning & Quick Decision Making' are not having statistically significant mean differences.

OR

Post hoc test gives significant difference between pair of sectors & the result shows that Iron & Steel group (14.89) having significantly larger mean response to metal (13.5), plastic (13.44) & miscellaneous (13.88). This factor was advance planning & quick decision making. Iron & steel group was showing most higher means here. This group entrepreneurs belonged to Gurgaon Zone. Metal group besides being lowly responding to Iron & steel group behaved in the same manner to textile group (14.75) Plastic (13.44) besides being lower than Iron & steel regarding mean behaved in the same manner to textile group (14.75). Textile group i.e. Panipat Zone here was behaving highly significantly to miscellaneous (13.88) regarding advance placing & quick decision making. All other mean comparison with regard to factor 'e' i.e. 'Advance Planning & Quick Decision Making' are not having statistically significant mean differences.

Factor e: Faith in Capacity Building

Table 5: Sector wise population means and standard deviations for Faith in Capacity Building

	N	Mean	Std. Deviation
Auto Product	10	15	0
Iron & Steel	18	14.33	0.69
Metal	24	12.67	2.1
Plastic	18	13.22	1.52
Textile	64	13.84	1.21
Misc	66	13.55	1.84
Total	200	13.65	1.61

Table 5.1: Anova Table Faith in Capacity Building

	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	56.254	5	11.251	4.732	<0.001
Within Groups	461.246	194	2.378		
Total	517.5	199			

The Significance value in the above table (<0.001) shows that there is statistically significant mean difference between at least two sectors at 99% confidence level.

Table 5.2: Intersectoral comparison for Faith in Capacity Building

Sector 1	Sector 2	Sig.
Auto Product	Metal	0
	Plastic	0.004
	Textile	0.029
	Misc	0.006
Metal	Iron & Steel	0.001
	Textile	0.002
	Misc	0.018
Iron & Steel	Plastic	0.032

Post hoc test gives significant difference between pair of sectors & the result shows that Auto product group (15) was having significantly higher mean response than metal (12.67), plastic (13.22), textile (13.84) & miscellaneous (13.55). This factor was faith in capacity building. Again here Faridabad Zone is surpassing to all. Metal was not only lower to Iron & Steel (14.33) & auto products. It was also lower to Textile (13.84) & miscellaneous (13.55) also. Plastic group besides behaving lowly to auto product, behaved in the same manner to Iron & Steel (14.33) also. All other mean comparison with regard to factor 20 i.e.

'Faith in Capacity Building' are not having statistically significant mean differences.

Conclusion

Regarding all the above five factors, it can be said that no statistically significant mean difference was found. In other words, it can be said that all entrepreneurs performed in the same manner considering strategic response process.

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