

Rural Enterprise Management Practices: Comparison of Successful and Unsuccessful Rural Entrepreneurs in the Villages of NCR of Delhi

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ABSTRACT

In a study conducted in the villages of NCR of Delhi on rural enterprise management functions being practiced by rural entrepreneurs, it was revealed that majority of successful entrepreneurs were found to practice good management functions such as operational planning, decision-making, delegation, controlling, organizing resources for production, coordination, book-keeping and writing a balance sheet for efficiently running their rural enterprises. A comparison was also attempted to differentiate the successful entrepreneurs with unsuccessful entrepreneurs, Where the differences were found to be statistically significant at least on major enterprise management functions. The study further revealed that successful entrepreneurs were practices primary management functions and financial management functions very well and better than the unsuccessful entrepreneurs. It can be concluded that rural entrepreneurs in general were found to be at par in organizing the resources and coordinating their enterprise management aspects but lack in financial management skills.

Keywords: Rural Enterprise, Enterprise Management Functions, Successful Entrepreneurs, Unsuccessful Entrepreneurs.

INTRODUCTION

An entrepreneur, according to New Webster's Dictionary of English Language, means 'the person who organizes manages and assumes the risk of a business'. An entrepreneur is someone who, if given a set of opportunities, could win through irrespective of constraints and hazards surrounding him or her (Vyakaranam, 1990). The research studies on entrepreneurship in rural areas mainly focused on 'entrepreneurial characteristics of protected cultivation entrepreneurs (Gondkar *et al.*, 2012) and on 'entrepreneurial behavior of dairy farmers (Pisure *et al.*, 2014), but very limited research studies have been attempted on enterprise management aspects of rural entrepreneurs. Since most of the rural people are illiterate or less educated, their level of technical competence and skills would be lower and may not be able to produce high quality farm products. They may also find the rigours of scientific management too much demanding and so usually bring out low quality products. Moreover, they were neither quality conscious nor find time to meet the demands of better quality standards. They may even nurture the thoughts of meeting high quality standards as not worthwhile. So they may have poor opinion about managing

their enterprises efficiently. McNaughton (1960) stated that in a business organization, management strives to achieve the objectives of the enterprise - providing profits and ensuring the survival of the enterprise. Management is the process of getting things done. The process of management involves *planning* (preparing for the future), *organizing* (pulling necessary resources and people together), *directing* (guiding the activities performed), *coordinating* (keeping working relationships effective), and *controlling* (keeping everything on the right track). *Decision-making* (making right decision at right times) and *delegating* (giving responsibility and authority to subordinates for better work performance) are other key management functions. In addition, financial management functions are also important for efficient management of rural enterprises. They are: book keeping, writing regular income statements and balance sheets for every production cycle or a financial year, managing adequate cash flows for running the enterprise, So a rural entrepreneur needs to understand and practice various key management functions in running the enterprise in order to attain excellence in his enterprise. Due to lack of managerial capabilities, majority of rural entrepreneurs end up as failures. There is a need to pinpoint

these key management functions that make or break an enterprise so that the new entrepreneurs in rural areas may be given adequate training for acquisition of these skills.

Hence, a research study was conducted with the main objective of understanding the key enterprise management functions that a rural entrepreneur performs in an enterprise, and specifically to study the management practices followed by rural entrepreneurs in running their enterprises for achieving success.

METHODOLOGY

This research investigation was conducted in thirty villages from one block each in West Delhi, Sonapat, & Gurgaon districts of National Capital Region (NCR) of Delhi. Thirty villages were selected purposively. A list of rural entrepreneurs was made for each village through consulting the respondents through snowball sampling procedure. Among the rural youth, about 100 successful entrepreneurs, and about 50 unsuccessful entrepreneurs were selected for this study from three blocks. All the respondents were individually interviewed using specially developed interview schedules and scales.

RESULTS AND DISCUSSION

Enterprise management is the process of planning, organizing, controlling and budgeting the work of an enterprise. Since this research investigation aims at critically analyzing the management behaviour of rural entrepreneurs, an attempt has been made in this section to discuss the findings and observations of various management practices followed by the entrepreneurs under study.

Enterprise management comprises of performing various management functions, which can be grouped as primary management functions, enterprise management functions and financial management functions.

(A) *Primary management functions* include operational planning, decision-making, delegating and controlling.

(B) *Enterprise management functions* include organizing production or services, and coordination of all enterprise activities.

(C) *Financial management functions* include book-keeping and writing balance sheet

To measure the extent of use of these management practices, a set of five Likert-type statements were made

and respondents' response was measured on a four-point rating scale of strongly agree – agree – disagree – strongly disagree. The scores assigned were 5, 4, 2 and 1 respectively for the positive statements. The scores were reversed for negative statements. Thus in all, eight management practices of the entrepreneur were measured. The scores of each respondent on each management practice ranged from 5 to 25. The respondents were later categorized into low, medium and high categories based on the scores of extent of use of each management practice. The score ranges for the three categories were 5-12 for low, 13-17 for medium level and 18-25 for high level of management practice.

The mean scores, standard deviation and range of scores of extent of use of each management practice and the frequency distribution are presented for each of the management practices in about three tables of three major groups of management functions.

Each management practice as practiced by the respondents was discussed in detail with adequate illustrations from various enterprises and cases.

A. Primary Management Functions

In running an enterprise, a few management practices need to be adopted, which can be termed as primary management functions. These are planning for the enterprise, which include operational planning, decision-making, delegation, and controlling, and their results are given in Table 1. Each management practice is discussed here.

Operational Planning for the Enterprise: Planning is an essential management practice for successful enterprise management. It is a process of establishing goals and a suitable course of action for achieving the enterprise goals. In this attempt, the entrepreneur states clearly day-to-day detailed plans of activities, which are called operational plans. Adequate operational planning, or planning for the operations that lead to achieving long-term goals and strategic plans, assumes great significance for entrepreneurial success. The mean scores, standard deviation and frequency distribution of respondents on the practice of operational planning is presented in Table 1. It is clearly evident from the results in the table that the mean scores of extent of use of operational planning were 22.25 for successful entrepreneurs and 15.44 for unsuccessful entrepreneurs. They were quite different from each other as can be seen from the 'z' value which is significant is 0.05 level of probability. The standard deviation and range of the two samples further reinforce that the two samples

of entrepreneurs – successful and unsuccessful entrepreneurs significantly differ from each other. The frequency distributions of respondents on the operational planning were also quite different. About 97 per cent of successful entrepreneurs were found to be practicing operational planning at a higher level. But in case of unsuccessful entrepreneurs, only 14 per cent were found to be practicing operational planning at a higher level while about 62 per cent were practicing operational planning process only up to moderate level. About 24 per cent of them were practicing operational planning at a low level. Thus it can be concluded that the successful entrepreneurs were found to be resorting to operational planning of their enterprise activities to achieve both short term and long-term goals.

Decision-Making: The art of decision-making is central to the practice of managing an enterprise or small business through a continuous and conscious shaping of the enterprise into a profit-yielding productive organization. Making appropriate decisions – right decisions at right time – is an important part of every manager's job. It is the process of identifying, selecting and implementing a course of action to deal with a specific problem or to take advantage of an opportunity for achieving enterprise goals. In the present study of managing rural enterprises, the rural entrepreneurs were observed to take several decisions for handling daily operations, maintaining quality of products or services, reducing costs, increasing profits, etc. So the entrepreneurs' extent of practice of decision making as a

Table 1: Distribution of respondents on primary management functions

OPERATIONAL PLANNING	Successful Entrepreneurs(n=100)	Unsuccessful Entrepreneurs(n=50)	
Mean	22.25	15.44	
Standard Deviation (SD)	1.23	3.54	
Range	18-24	10-24	
Z value	3.840*		
Categories	<i>Frequency/Percentage</i>	Frequency	Percentage
Low (<Mean-1SD)	0	12	24.0
Medium (Between Mean± 1SD)	3	31	62.0
High (>Mean+1SD)	97	7	14.0
Total	100	50	100.0
DECISION MAKING			
Mean	18.95	13.14	
Standard Deviation (SD)	1.36	3.23	
Range	15-24	6 -22	
Z value	3.902*		
Categories	<i>Frequency/Percentage</i>	Frequency	Percentage
Low (<Mean-1SD)	0	22	44.0
Medium (Between Mean± 1SD)	27	26	52.0
High (>Mean+1SD)	73	2	4.0
Total	100	50	100.0
DELEGATION			
Mean	18.66	13.02	
Standard Deviation (SD)	2.27	2.82	
Range	11-24	8-20	
Z value	4.546*		
Categories	<i>Frequency/Percentage</i>	Frequency	Percentage
Low (<Mean-1SD)	2	19	38.0
Medium (Between Mean± 1SD)	43	27	54.0
High (>Mean+1SD)	55	4	8.0
Total	100	50	100.0
CONTROLLING			
Mean	20.24	12.08	
Standard Deviation (SD)	2.70	4.33	
Range	14-24	8-23	
Z value	2.964*		
Categories	<i>Frequency/Percentage</i>	Frequency	Percentage
Low (<Mean-1SD)	0	31	62.0
Medium (Between Mean± 1SD)	31	13	26.0
High (>Mean+1SD)	69	6	12.0
Total	100	50	100.0

crucial management practice was measured and the scores were analysed. The frequency distributions of respondents on decision-making practice are presented in Table 1. The results in the table reveal that the mean scores of practicing decision-making were 18.95 and 13.14 for the samples of successful and unsuccessful entrepreneurs respectively. While the scores of decision-making practice were consistent among successful entrepreneurs, they were varying widely among unsuccessful entrepreneurs. The z value computed to compare the means of the decision making practice among the two samples was found to be significant at 0.05 level of probability indicating that these two samples of entrepreneurs were significantly different from each other on this management practice. The frequency distribution of successful entrepreneurs on decision-making practice was highly skewed towards higher level of practicing. About 73 per cent of them were practicing decision-making at high level. But in case of unsuccessful entrepreneurs, about 44 per cent of were practicing decision making at a low level. About 52 per cent were practicing at moderate level and only 4 per cent were practicing decision-making at a high level. Thus it can be concluded that the successful entrepreneurs were practicing appropriate decision-making in their enterprises, which may be one of the reasons for their entrepreneurial success. They may have understood the significance of taking right decision at the right time without any unnecessary delays in efficiently managing their enterprises. On the contrary, the unsuccessful entrepreneurs may have paid scant attention to decision making in efficient management of enterprises.

Delegation : An entrepreneur usually has to attend to various activities of the enterprise and is usually hard pressed for time. In such cases, he usually hands over some specific work to one of his employees or family members for completion of works. This act of assigning work related to management coupled with formal authority and responsibility is delegation. Entrepreneurs delegate work to others in order to manage the enterprise efficiently and successfully. In this process, the entrepreneur personally handles some essential jobs and gets other jobs done under his instruction and supervision. In this study of management practices of rural entrepreneurs, the practicing of delegation by entrepreneurs was measured and the scores obtained were analysed. The frequency distributions of respondents on the practice of delegating are presented in Table 1. As evident from the results, the mean scores of practicing delegation as a management practice for successful entrepreneurs and unsuccessful entrepreneurs were 18.66 and 13.02 respectively. In both cases, the measures of dispersion – standard deviation and range,

being low, indicated consistency and less variation among the respondents on the scores of practicing delegation. The z value being significant at 0.05 level of probability indicated significant differences between the two samples of respondents on the scores of practicing delegation of responsibility and authority in enterprise management.

A cursory look at the frequency distributions of these two samples of respondents revealed that about 55 per cent of successful entrepreneurs were ardently practicing delegation as a management practice at a high level. About 43 per cent of them were practicing delegation to a moderate level. But in case of unsuccessful entrepreneurs, about 38 per cent were not at all practicing delegation while only 54 per cent of the unsuccessful entrepreneurs were practicing delegation upto a moderate level. Yet the two samples of respondents were significantly different from each other. Thus it can be concluded that the delegation as a management practice was not being practiced upto a desired level by both successful and unsuccessful entrepreneurs. It has also been observed that the successful entrepreneurs, even though they delegate some specific works to supervisors in their enterprises, were not happy with the process of delegation. They had insisted that the responsibility still rests with them in ensuring the completion of some works. To give an illustration, a poultry farmer said that he keeps to himself the specific task of vaccination i.e., injecting birds with specific vaccines at regular intervals. He had never delegated this work as it involves some techniques and technical aspects. He had delegated only ‘feeding birds’ as a task to his workers.

Controlling: An entrepreneur takes steps to ensure that the actual activities of running enterprise conform to the plans. This management practice is called ‘controlling’, which helps managers monitor the effectiveness of their planning, their organizing, and taking actions. An essential part of controlling process is taking corrective actions as needed to achieve entrepreneurial goals. Here an attempt has been made to measure the extent of practicing of controlling in the enterprise. The scores obtained were analysed. The frequency distributions are presented in Table 1. The results in the table revealed that the mean scores of practicing controlling as a management practice for the samples of successful entrepreneurs and unsuccessful entrepreneurs were 20.24 and 12.08 respectively. While the scores of controlling practice of successful entrepreneurs were consistent among the respondents, they were varying widely among the unsuccessful entrepreneurs. The z value computed to compare the means of controlling practice of management was found to be significant at 0.05 level of probability

indicating that these two samples of entrepreneurs were significantly different from each other on this management practice. A cursory look at the frequency distributions of these two samples of respondents revealed that about 69 per cent of successful entrepreneurs were ardently practicing the management practice of controlling at a higher level. But about 66 per cent of unsuccessful entrepreneurs were not at all practicing controlling as a management practice in their enterprises. Thus it can be concluded that the successful entrepreneurs were able to monitor the effectiveness of their planning, organizing and taking appropriate actions in their enterprises in order to realize the objectives of earning profits and running the enterprise well. They were also able to take necessary corrective actions to steer clear of any obstacles in reaching enterprise goals without getting derailed midway. But only about two thirds of the successful entrepreneurs were practicing controlling to a desirable level to achieve entrepreneurial success. But about 31 per cent of them were practicing controlling upto a moderate level. This calls for immediate action of these successful entrepreneurs to keep more vigil on the running of their enterprises and improve their managerial abilities. The unsuccessful entrepreneurs may have failed due to their lack of understanding of the 'controlling function' in enterprise management. It becomes quite clear that the controlling as a management practice, if not practiced to the desired level will impair the running of the enterprise, may make it sick and eventually leads to failure of enterprise. Thus it can be concluded that the successful and unsuccessful entrepreneurs differed significantly in all the five primary management practices of running an enterprise.

B. Enterprise Management Functions

Three management practices were included in this group, which can be termed enterprise management functions. These are: organizing the production and services of the enterprise, and coordinating the enterprise activities. Both the management practices have a direct bearing on the enterprise management *per se*, and their results are given in Table 2. The extents of practicing of these management practices are discussed here.

Organizing Production/Services: An entrepreneur needs to organize the production process or services operations for achieving entrepreneurial success. It is the process of arranging and allocating work, Resources in such a structured manner to achieve the goals of the enterprise – reducing costs and increasing profits. The mean scores, standard deviation and the frequency distribution of respondents on the management practice of organizing is presented in Table 2. A close look at the

results revealed that the mean score of practicing organizing production/services was 18.56 for successful entrepreneurs and 16.46 for unsuccessful entrepreneurs. The 'z' value being 0.648 was less than the table value of z (1.96) at 0.05 level of probability. This suggests that the two samples were similar on this practice. The standard deviations were 2.09 and 4.76 respectively for the two samples indicating consistency among successful entrepreneurs and wide variation among unsuccessful entrepreneurs. The frequency distributions revealed interesting patterns. In case of successful entrepreneurs, about 50 per cent were practicing, at higher level, the management practice of organizing production/services. About 50 per cent of them were practicing at a moderate level. But in case of unsuccessful entrepreneurs, about 36 per cent were practicing organizing production services at a low level, about 26 per cent of them were practicing the same at moderate level and about 38 per cent at higher level. Thus it can be concluded that both the successful entrepreneurs and unsuccessful entrepreneurs were not practicing the management practice of organizing production/services to desired levels. The non-significant 'z' value suggested that the two samples of respondents were different from each other on the management practice or organizing production/services. Both the sets of respondents may have been practicing organizing production/services from many years and now it may have become quite routine matter for them. So no differences were found between them on this aspect. It may also be true that the successful entrepreneurs may be organizing their resources production and services in a 'business as usual' manner and may not be putting any extra effort on this practice.

Coordination: An entrepreneur is the technician, worker, manager, financier and the boss – all in one. He has to take care of all the activities involved in the input supply production, quality control, packaging, marketing, budgeting and recycling funds and managing the enterprise. So the likelihood of an entrepreneur being successful depends on they way he or she coordinates all the activities of the enterprise. It is the process of integrating enterprise works, in order to pursue entrepreneurial goals effectively, which is called coordination. Here an attempt has been made to measure the extent of practice of the coordination by the rural entrepreneurs. It is measured using a four-point rating scale of Likert-type statements on coordination. The frequency distributions of respondents on the practicing of coordination are presented in Table 2. As can be seen from the results, the mean scores of practicing of coordination among successful entrepreneurs and unsuccessful entrepreneurs were 22.14 and 13.90

respectively. The standard deviation was 1.46 and 5.54 in the two samples. The scores ranged from 18 to 24 in case of success entrepreneurs and from 7 to 23 in case of the sample of unsuccessful entrepreneurs. But the 'z' value to compare the means is found to be at 1.895, which is less than the significant value. So there was no difference between the two samples of entrepreneurs on the way coordination is practiced in managing their enterprises. A cursory look at the frequency distributions of the two samples on practicing of coordination reveals that about 96 per cent of successful entrepreneurs were practicing coordination to a higher level. But among the unsuccessful entrepreneurs, about 38 per cent of them were practicing coordination at a low level, 34 per cent of them were practicing coordination at a moderate level, and only 28 per cent of them were practicing coordination at a higher level. Thus it can be concluded that the successful entrepreneurs were not significantly different from unsuccessful entrepreneurs on the level of practicing of coordination. It may be true that majority of the successful entrepreneurs were practicing coordination at a high level and may be achieving entrepreneurial success. But among the unsuccessful entrepreneurs, there was very wide variation on the level of practicing of coordination of various enterprise activities. Coordination, thus, may not be a discerning management practice to distinguish between successful and unsuccessful entrepreneurs.

C. Financial Management Functions

In managing the enterprise, proper financial discipline needs to be maintained in writing regularly the accounts and vouchers and writing a balance sheet at the end of

each production cycle in order to provide smooth and easy cash flows in the enterprise. Both the key management practices are grouped as financial management functions and their results are given in Table 3. The extents of practicing of these two management practices are discussed here.

Book Keeping: Book keeping or maintaining a record of all accounts of the enterprise – the expenditure incurred, the wages, the payments due and the overall income-expenditure-profit details will help the entrepreneur to assess for himself on the financial health and financial discipline of the enterprise. If an entrepreneur is keeping all records of vouchers, bills account slips, in various cash books and registers, then he is practicing book keeping for his enterprise and also running the enterprise in a systematic manner. Here the practicing of book keeping was measured and the scores obtained were analysed. The frequency distribution of respondents on the practice of book-keeping are presented in Table 3. A cursory look at the results in the table revealed that the mean scores of practicing book keeping were 19.87 and 9.98 respectively for successful entrepreneurs and unsuccessful entrepreneurs. The standard deviation and range of both the samples indicate very wide variation among the respondents on the practicing of book keeping. The z value was found to be significant at 0.05 level of probability suggesting significant differences between the two samples of rural entrepreneurs. In case of successful entrepreneurs, about 83 per cent of them were practicing ardently book keeping of their records of enterprise. Contrary to this, about 88 per cent of unsuccessful entrepreneurs were not

Table 2: Distribution of respondents on enterprise management functions

ORGANIZING PRODUCTION / SERVICES	Successful Entrepreneurs (n=100)	Unsuccessful Entrepreneurs(n=50)	
Mean	18.56	16.46	
Standard Deviation (SD)	2.09	4.76	
Range	16-24	10-23	
Z value	0.6481^{NS}		
Categories	<i>Frequency/Percentage</i>	Frequency	Percentage
Low (<Mean-1SD)	0	18	36.0
Medium (Between Mean± 1SD)	50	13	26.0
High (>Mean+1SD)	50	19	38.0
Total	100	50	100.0
COORDINATION			
Mean	22.14	13.90	
Standard Deviation (SD)	1.46	5.54	
Range	18-24	7-23	
Z value		1.895 ^{NS}	
Categories	<i>Frequency/Percentage</i>	Frequency	Percentage
Low (<Mean-1SD)	0	19	38.0
Medium (Between Mean± 1SD)	4	17	34.0
High (>Mean+1SD)	96	14	28.0
Total	100	50	100.0

at all maintaining any records or practicing book keeping. Thus it can be concluded that the successful entrepreneurs were resorting to book keeping of the accounts of their enterprise, which may be guiding them make appropriate decisions and running their enterprise efficiently. But the unsuccessful entrepreneurs were not doing any book keeping of accounts and many have failed due to not being aware of the financial health of their enterprise.

Balance Sheet: Balance Sheet describes the enterprise's financial condition at a given point in time, in terms of its assets, liabilities and net worth. Writing balance sheets on an annual basis or for each production cycle is an important management practice to take necessary corrective steps if the enterprise is not being run on expected lines. It is done essentially to assess reinvestment and diversification possibilities, credit requirements for next cycle of production and to evaluate the performance of the enterprise. Here the practicing of writing a balance sheet for the enterprise by the entrepreneurs was measured and the scores obtained were analysed. The frequency distributions of respondents on the practice of writing balance sheet are presented in Table 3. As can be seen from the results, the mean scores of practicing writing balance sheet for the enterprise for successful entrepreneurs and unsuccessful entrepreneurs were 20.48 and 9.04. The measures of range and standard deviation suggested very wide variation among the two samples of respondents. The z value being significant at 0.05 levels suggested that the means of the two samples were different. This indicates that the successful entrepreneurs were ardently writing the balance sheets for their enterprise to get an idea of the worth of their enterprises, while the set of unsuccessful

entrepreneurs were not doing so. A cursory look at the frequency distribution indicated that about 81 per cent of successful entrepreneurs were writing their balance sheets; but about 90 per cent of unsuccessful entrepreneurs were not writing any balance sheet whatsoever. Thus it can be concluded that successful entrepreneurs were writing their balance sheets on a regular basis and may be turning out to be good enterprise managers and hence achieving success in their entrepreneurial ventures.

Significant Differences in Management Practices

An attempt was made to pool all the data related to management practices of both successful and unsuccessful entrepreneurs only to compare their means. Since the samples are larger, z test was used and the results are presented in Table 4. In the table the mean scores of the management practices, mean differences, standard error of combined samples and z value are presented. The z values were evaluated for their significance with the significant z value of 1.96 at 0.05 level of probability. All the z values more than 1.96 were significant. The results are discussed in detail here.

Primary Management Functions: The mean differences in the scores of practices of five management functions were found to be statistically different between the two samples of respondents. The results clearly indicated that the successful rural entrepreneurs were rigorously practicing planning functions and controlling functions as can be seen from the scores ranging from 20.24 to 22.25. But the scores of unsuccessful entrepreneurs for these same management functions ranged from 12.08 to 15.44. The mean differences of scores of practicing decision-

Table 3: Distribution of respondents on Financial Management Functions

BOOK-KEEPING	Successful Entrepreneurs(n=100)	Unsuccessful Entrepreneurs(n=50)	
Mean	19.87	9.98	
Standard Deviation (SD)	4.57	4.46	
Range	7-24	5-21	
Z value	2.839*		
Categories	<i>Frequency/Percentage</i>	Frequency	Percentage
Low (<Mean-1SD)	11	44	88.0
Medium (Between Mean± 1SD)	6	0	0.0
High (>Mean+1SD)	83	6	12.0
Total	100	50	100.0
BALANCE SHEET			
Mean	20.48	9.04	
Standard Deviation (SD)	5.10	5.0	
Range	7-24	15-24	
Z value	2.602*		
Categories	<i>Frequency/Percentage</i>	Frequency	Percentage
Low (<Mean-1SD)	14	45	90.0
Medium (Between Mean± 1SD)	5	0	10.0
High (>Mean+1SD)	81	5	0.0
Total	100	50	100.0

making and delegation were lower: 5.64 and 5.81 respectively. Though there are statistically significant differences between the two samples, successful entrepreneurs were not practicing decision-making and delegation up to desired levels of efficiency.

Enterprise Management Functions: The mean differences of scores of three management functions were statistically compared. The mean differences between successful and unsuccessful entrepreneurs, on the management practice of organizing was the lowest at 2.1 and that of controlling was at 8.24. But these mean differences were not statistically significant. Thus it appears that the two samples of rural entrepreneurs were similar in these two management practices. They were operating at a low level of efficiency and so were not able to organise the productions / services and were not able to coordinate the activities of their enterprises. But successful entrepreneurs were superior to unsuccessful entrepreneurs on the management practice of marketing.

Financial Management Functions: All the four management functions as practiced by successful entrepreneurs were statistically different from the management practices of unsuccessful entrepreneurs. The mean score differences ranged from 9.36 to 11.44 which clearly brought out the superiority of successful entrepreneurs over the unsuccessful entrepreneurs in their healthy financial management practices. A successful entrepreneur was able to write his balance sheet regularly after every production cycle and monitored the growth of the enterprise in terms of incomes and profits. Hence he is more successful than others.

Thus it can be concluded that the successful entrepreneurs were managing their enterprises quite efficiently, especially in planning, controlling, marketing and in all aspects of financial management functions. They were clearly superior to unsuccessful entrepreneurs in the

primary management functions as well as financial management functions.

CONCLUSION

This study also brought out to light what management procedures that successful entrepreneurs practice and also caution what pitfalls to avoid in efficiently running their enterprises. Primary entrepreneurial management functions of planning (strategic and operational), organizing, decision-making, coordinating, controlling, delegation were studied for both successful and unsuccessful entrepreneurs. This study explored the managerial functions being practiced by rural entrepreneurs and attempts to clear doubts about their managerial and leadership abilities. This study also studied the financial management of rural enterprises. In essence this study attempted new areas of exploration in entrepreneurship development research.

Primary Management Functions: The successful entrepreneurs were quite aware of *strategic planning* process and had clear realistic goals for their enterprise. But in case of unsuccessful enterprises, most of them were not aware of any planning process whatsoever. The successful entrepreneurs were found to be resorting to *operational planning* of their enterprise activities to achieve both short term and long-term goals.

The successful entrepreneurs were practicing appropriate *decision-making* in their enterprises, which may be one of the reasons for their entrepreneurial success. They may have understood the significance of taking right decision at the right time without any unnecessary delays in efficiently managing their enterprises. On the contrary, the unsuccessful entrepreneurs may have paid scant attention to decision making in efficient management of enterprises. The *delegation* as a management practice was not being practiced upto a desired level by both successful and unsuccessful entrepreneurs.

Table 4: Differences between successful and unsuccessful entrepreneurs

Management practices	Successful entrepreneurs (n=100)	Unsuccessful entrepreneurs (n=50)	Mean difference	z value
Primary Management Functions				
Operational planning	22.25	15.44	6.81	3.8398*
Decision making	18.95	13.14	5.81	3.9016*
Delegation	18.66	13.02	5.64	4.5465*
Controlling	20.24	12.08	8.16	2.9637*
Enterprise Management Functions				
Organizing	18.56	16.46	2.10	0.6481 ^{NS}
Coordination	22.14	13.90	8.24	1.8954 ^{NS}
Financial Management functions				
Book keeping	19.87	9.98	9.89	2.8388*
Balance sheet	20.48	9.04	11.44	2.6023*

* Significant 0.05 level of probability (> 1.96)

NS Not significant

The successful entrepreneurs were able to monitor the effectiveness of their planning, organizing and taking appropriate actions in their enterprises in order to realize the objectives of earning profits and running the enterprise well. They were successfully *controlling* their enterprises. They were also able to take necessary corrective actions to steer clear of any obstacles in reaching enterprise goals without getting derailed midway.

Enterprise Management Functions: Both the successful entrepreneurs and unsuccessful entrepreneurs were not practicing the management practice of organizing production/services to desired levels. The successful entrepreneurs were not significantly different from unsuccessful entrepreneurs on the level of practicing of coordination. The rural entrepreneurs were practicing marketing only upto a moderate level.

Financial Management Functions: The successful entrepreneurs were resorting to *book keeping* of the accounts of their enterprise, which may be guiding them make appropriate decisions and running their enterprise efficiently. But the unsuccessful entrepreneurs were not doing any book keeping of accounts and many have failed due to not being aware of the financial health of their enterprise.

Successful entrepreneurs were writing their balance sheets on a regular basis, as they were quite aware of the worth of writing accounts for the efficient management of their enterprise. The successful entrepreneurs had

adopted efficient cash flows and finance management practices in running their enterprises. Indeed, they were practicing healthy finance management practices and ensuring regular cash flows to attain efficiency in managing their enterprises. But unsuccessful entrepreneurs had a large gap in the knowledge of this particular management practice.

Thus the successful entrepreneurs were managing their enterprises quite efficiently, especially in planning, controlling, marketing and in all aspects of financial management functions. They were clearly superior to unsuccessful entrepreneurs in the primary management functions as well as financial management functions.

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