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CONTENTS

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    NEED/IMPORTANCE OF THE STUDY

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    RESEARCH METHODOLOGY

    RESULTS & DISCUSSION

    FINDINGS

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MANAGERIAL PERCEPTION TOWARDS INDUSTRIAL SUBSIDY AND ITS IMPACT ON INDUSTRIALIZATION IN UTTRAKHAND: AN EMPIRICAL STUDY

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ABSTRACT

In the process of Industrialization a non industrial economy becomes an industrialized one and a means of strengthening the nation by raising the productivity, employment, income and living standard. In spite of several measures through all our five year plans for industrialization and regional balances, the uneven growth of industries is prevalent across the country. Since the formation of state of Uttrakhand in 2000, the state and central government has come up with various industrial packages to promote the industrialization in the state. As the policy developments in terms of industrial packages and subsidies seem like not keeping pace with the real need of the state development, it is worthwhile to understand the causes of its failure and to come up with effective measures to obtain maximum from it. The present study is an attempt to highlight the impact of industrial package on industrialization of Uttrakhand from the perspective of existing industrial units. This also focuses on the perceptions of different entrepreneurs and management in accordance to different industrial packages they are exposed to in the state. It is found in the study that majority of the personnel of different professional categories working in different organizational categories are in the opinion that industrial package has attracted the greater investment in the state and promoted large number of entrepreneurship. The study also indicates that there is significant difference in the mean of different factor across the different professionals, except in the case of factor like "Economic Mobilization and Development Issues" and "Climatic Condition And Inter State Competitiveness". The study may be helpful to understand different motives of their establishment and their long run approach even if the benefits are expired. Also this may help us understand the relationship between their operational motive and contribution towards state development.

KEYWORDS

Industrial Climate, Industrial Package, Industrial Subsidy, Economic Mobilization, Industrial Competitiveness, Investment Climate etc.

INTRODUCTION

With liberalization and opening up of the economy since early nineties, India is witnessing rapid expansion of industrial activities. In the present day of globalization and changing economic conditions, the role of industries has become very important in strengthening the economy of the state. In order to boost the industrialization and to integrate the different economic activities the State Governments have tried to give some relief to the industries of the State on the pattern of the package. Some of the facilities provided are enumerated as Conversion of the payable Trade Tax and Central Sales Tax accepted on the sale into interest free loan for 15 years, no other fee to be charged than the real value of the land for acquisition of land, Transport subsidy for 15 years on the purchase of Raw Material unavailable in the State (leaving coal and natural gas) to the tune of the amount paid transportation, Refund of the actual amount spent on infrastructural facility maximum 10% of the fixed capital, Capital subsidy @ 10% & 20% in respect of the units with the investment of Rs. 100 crore and Rs. 200 crore respectively and Interest free loan for a period of 17 years instead of 15 years to the units with investment of more than Rs. 200 cores. As a result of different scheme and shield provided by state government, Small sector industry in Uttrakhand has seen significant growth of 44..96% from 2000-2001 to 2005-2006 as compared to Himanchal Pradesh by 21.29281% and Jammu &Kashmir by 35.58%. The experience of the development process in Uttarakhand holds many lessons, most of which unfortunately remain unheeded today. Indeed, the separate state movement had its genesis in the very failure of the process to bring any substantive improvement in the lives of the Uttarakhand rural poor. In truth, development has only impoverished the hills and visited ever more onerous ecological burdens on the people. The state has adapted the new industrial for maximizing growth of GNP, increased industrial production, improved technology, and aggregate consumption. In spite of several structural changes, the overall industrial development of the state could not be achieved. The regional imbalances can be seen as benefits of industrial policy and incentives are visible in only three districts namely Haridwar, Dehradun and Pantnagar. Remaining district of the state could not avail benefits of such scheme and incentive of industrial package provided by the state as well as central government. The study of industrial package and its impact on the industrial development in the state is one of the important fields of the study and to be given a professional look in order to make it beneficial for the people of state.

RATIONALE BEHIND THE STUDY

The regional imbalance in the economic development has been recognized as a serious problem the worldwide and at macro level it is often known as dualism or north south problem. It has been the experience of all developed countries in the early stage of their development so much so the prevalence of this regional imbalance at all level of national development is common in developing countries also. Many people believe that the place or region or area they live in or work is economically backward. It is so because they compare themselves with other region or place which are grown in many aspect.

Uttarakhand, after bifurcation of Uttar Pradesh, was formed as the 27th state of India on 9th November 2000. It is divided into two broad regions - .Garhwal and Kumaon. The state has 13 districts, 49 sub-divisions, 95 development blocks, 15,638 villages and 86 urban settlements. Uttarakhand is primarily a mountainous state, as the plains constitute only about 10% of its total geographical area. Out of thirteen districts, only Haridwar, Udham Singh Nagar and some parts of Dehradun and Nainital districts are in the plains. In spite of high literacy rate, potential for hydropower generation, potential for adventure, rural and religious tourism, rich cultural heritage, rich source of biodiversity, presence of Centres of excellence like IIT Roorkee, GBPUAT, FRI etc. and excellent network of schools in Dehradun and Nainital; enabling policies for industrial development and attracting investment and harmonious and peaceful social and industrial

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33

environment, the industrialization of the state is heterogeneous. Even after providing shield and so many concessions and subsidy; only three district of the state is industrialized and other district of the state remained untouched. Within Uttarakhand, there is marked inequality between the hills and the plains. The hill districts palpably lag behind. Therefore, a well thought development strategy is needed to reduce this gap between the two regions. A development vision for the state should include both human and economic aspects along with environmental conservation. As the policy developments in terms of industrial packages and subsidies seem like not keeping pace with the real need of state development it is worthwhile to understand the causes of its failure and to come up with effective measures to obtain maximum from it. The present study is an attempt to highlight the impact of industrial package on industrialization of Uttrakhand from the perspective of existing industrial units. This also focuses on the perceptions of different entrepreneurs and management in accordance to different industrial packages they are exposed to in the state.

REVIEW OF RELATED LITERATURE

In recent years, literature has identified the increasing complexity of small and medium-sized enterprises (SMEs) and highlighted their sensitivity to differences in managerial culture and management systems. Research has shown that performance measurement systems (PMSs) could play an important role in supporting managerial development in these companies. Ni Putu S H Mimba, G Jan Van Helden, Sandra Tillema in his work on Public sector performance measurement in developing countries: A literature review and research agenda" highlighted the literature on performance measurement in manufacturing SMEs is reviewed and the diffusion, characteristics and determinants of performance measurement in SMEs are analyzed. Shortcomings in the performance measurement systems are highlighted and the many factors that seem to constrain PMSs in manufacturing SMEs are defined, e.g. lack of financial and human resources, wrong perception of the benefits of PMS implementation, short-term strategic planning. Moreover, using dimensions defined according to the information found in the literature, two PMS models specifically developed for SMEs are compared with generic PMS models. The comparison points out an evolution in PMS models over time; in particular, the models developed in the last 20 years are more horizontal, process-oriented and focus on stakeholder needs. However, it is not clear whether these changes are due to the evolution of the generic models or an attempt to introduce models suited to the needs of SMEs. To clarify this matter and better to understand PMSs in SMEs, further theoretical and empirical studies are necessary.

There are a not many research papers and books that have tried to identify growth and development in Uttarakhand in the 10 years since the creation of the state. Bisht (2006) argues that the state has to sustain forestry and agriculture for the survival of the people who largely live in rural and hilly areas. The degree of industrialization attained by an economy is often considered as an important indicator of development. Industrialization is vital to the development process in several ways. Rise in standard of living is also associated with industrialization that allows more intensive use of available resources. Industrialization is crucial to agricultural development by way of mechanization of agricultural and reducing pressure on agricultural land resources through a gradual shift of population from agriculture to industry. The emergence of the "new growth" theories in the late 1980s provided a rigorous analytical framework within which trade liberalization can be linked with economic growth. In particular, Grossman and Helpman (1992) argue that technological change can be influenced by a country's openness to trade. Openness to trade provides access to imported inputs, which embody new technology and increases the size of the markets facing producers which in turn raises returns to innovation and affects a country's specialization in research intensive production. Thus a country's openness leads to improvements in domestic technology; helps the production process become more efficient and culminates in productivity improvements. In case of Uttarakhand, industries provide employment to 6.5 per cent of working population in that the share of small-scale industries is more than 75 per cent. As a whole, the number of small-scale industries is 41,216 with an investment of Rs. 305.58 crore providing employment to 1, 53,229 persons. The number of medium and heavy industries is 191 with an investment of Rs. 2,694.66 crore employing 50,882 persons. Most of the medium and large industries are located in the districts of Dehradun and Nainital and therefore these two districts contribute 85% of total income of the sector. The major industrial activities are in the field of Forest based industries (paper & Paper products, matchwood, plywood, herbs and medicinal plants), food products and beverages, electrical machinery apparatus, rubber and plastic products. The small-scale industries have a well spread presence in all the districts but due to economic of scale, backward technology and poor market infrastructure, these have not been able to make significant progress. Sati, Sati and Kuksal in his work on "Present Status and Future Prospect of Industrial Development in Uttrakhand" focus on the potential of developing industry in Uttrakhand. According to his study the rich availability of raw material particularly Juice factory, Harbal Medicines, Plant based small scale industries, lime industry, stone based industry, sculpture, jewelers, paper mills, liquor factory, fodder, electronics industry leather, wool, Ringal industry, tea, handloom, milk industry micro hydel, mineral water and most importantly the tourism industry.

Despite the voluminous empirical literature, the relationship between openness and economic growth remains highly contentious. This particular study by Ramaswamy identified both technology and labour regulation as factors behind the higher subcontracting activity of factories that used more labour per unit of output. Thus, technological changes that are oriented towards higher labour productivity obviously reduce the requirement of many kinds of unskilled labour in particular, but they also allow a break-up or physical disintegration of the production process which greatly facilities outsourcing. Kabra Kamal Narayan in his study on Rural Small Industry in India focuses on factor limiting the effectiveness of various plans and programmes for rural industrialization. In his study, he found that the absence of state level planning, micro level planning and lack of integration of rural industrialization in the rural development strategy are some of the reason of regional imbalance of the state of Uttrakhand.

The review of the wide range of openness measures shows that given the complex nature of trade policy, and given that trade is being affected by tariffs, quotas, licenses, and exchange controls, it is very difficult to construct a single, satisfactory indicator of trade liberalization. Further, the fact that the various trade policy indicators are weakly correlated with each other suggests that different dimensions of trade policy may have different effects on growth. A study by Kar (2007) highlights the importance of equitable growth focusing on GDP growth and distribution of growth to all sections of the population and geographical regions of the country. The study shows that the higher growth rate of the state in the initial years has helped the state to transform itself, but most of the growth has been restricted to the plains, while the hill areas have grown slowly due to structural problems. The development has been mainly in the plain districts of the state and not the hills, which have remained cut off from the rest of the country. Thus, there is a need to modify or reschedule the current schemes according to the hill districts of the state.

Beal (2000) provides a similar model. He emphasizes that both external and internal alignment influence a firm's performance. The external alignment means the alignment between the competitive strategy and the industry life cycle stages, and its effect on the performance. The internal alignment means the competitive strategy and the small business manager's functional experience and its effect on the performance. According to Jennings and Beaver (1997), a popular belief is that superior performance and competitive advantage in the smaller firm is invariably equated with successful business development culminating in exceptional return on the investment, sales growth, volume, profit and employment. They continue that contrary to popular belief the owner-managers pursuit of personal financial fortune is not as significant as the desire for personal involvement, responsibility and independent style of life. The attainment of these objectives becomes one of the principal criteria for success.

A literature review on "Performance Measurement Systems (PMS) in Small- and Medium-sized Enterprises (SMEs)" shows that the main contributions focus on the development of theoretical models, but not on guidelines for practical implementation. In this context, an important neglected aspect is the general fitness or readiness of a SME to implement a PMS. Therefore, the aim of this paper is to determine critical prerequisites for a successful PMS implementation in SMEs. For this purpose, a case study in a German SME was conducted. The findings indicate that the existence of specific contingency factors - Corporate Strategy, software-based Enterprise Resource Planning (ERP) and Activity Based Costing (ABC) - strongly supports the successful implementation of a PMS and its later use. Hence, further research shall include these prerequisites as new variables determining the PMS process. Based on that, researchers and managers of SMEs can develop individual indicators to identify their own PMS readiness.

OBJECTIVES OF THE STUDY

The state of Uttarakhand has been on the move ever since its creation. It has been marching ahead in terms of industrialization, resulting in growth rates higher than the national figures. Several measures have been taken up to promote the industrialization of the state. Due to adverse geographic condition, state and

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central governments have given several industrial packages and incentives to promote the industry and to make it competitive. The main objective of the present study is to examine and to evaluate the industrial package and its impact on industrialization of Uttrakhand. The study proposes to examine the following aspect of industrial package and incentive given to various industries of Uttrakhand State:-

1. To explore the rationality of the impact of state Industrial Policy (With specific reference to Industrial subsidy) on the performance of SMEs in Uttrakhand state.
2. To assess the impact of concessional packages on the state of investment in Uttrakhand region.
3. To study the managerial perception regarding different factors influencing the performance of enterprises in the state.

Hypothesis 1: Concessional packages have increased the level of investment in Uttrakhand.
Hypothesis 2: Different factors influencing performance of enterprises do not differ significantly across the personnel of different professional categories.

RESEARCH METHODOLOGY

The nature of this research is descriptive one and the study is conducted using Questionnaire & using Opinion survey method. These questionnaires has been dispatched to more than 100 respondents selected randomly from the managers, owners and entrepreneurs working in various SMEs located in different SIDCs and SIDCUL of Uttrakhand State. Some personnel engaged in various units at SIDCUL, Dehradun were contacted personally. After editing 67 responses are found fit and are taken for the analysis under the study.

TABLE 1: DEMOGRAPHIC CHARACTERISTICS OF RESPONDENTS

	Categories	Count	Percentage
Age	Upto 25 Years	8	11.9
	25 to 40 Years	28	41.8
	40to 50 Years	17	25.4
	50 to 60 Years	8	11.9
	Above 60Years	6	9.0
Gender	Male	51	76.1
	Female	16	23.9
Education Level	Graduate	23	34.3
	Post Graduate	28	41.8
	Professional and others	16	23.9

Demographic information of the respondents presented in the above table states that sample is dominated by middle aged person ranging from 25 to 40 years belonging to male category. In this sample 45% are in the age of 25 to 50 years. It is seen that majority of respondents are well educated as 76.1% respondent are either Post graduates or professionally qualified. The information so obtained is contributed by only 23.9% female respondents.

TABLE 2: NUMBER OF EMPLOYEES WORKING

Sl. No	Description	No of respondents	Percentage
A	Up to 25 Worker	34	50.7
B	25-50 Workers	19	28.4
C	50-100 Workers	13	19.4
D	250-500Workers	1	1.5
	Total	67	100.0

This representation indicates that operation of the surveyed units is not labour intensive. Although these are the small and medium scale enterprises, the data from a respondent representing an organization having more than 250 manpower has been included.

TABLE 3: NATURE OF ORGANIZATION

Sl. No	Description	No of respondents	Percentage
A	Manufacturing unit	33	49.3
B	Service	34	50.7
C	Total	67	100.0

The study stands almost equally distant from both manufacturing and service industries as it covers almost same numbers of respondents from either of the sectors. As the services have been the primary industrial in Uttarakhand and mostly involved directly or indirectly with tourism it is worthwhile to obtain compared information with respect to manufacturing sector development in the purview of industrial packages.

TABLE 4: ENGAGED IN THE DIFFERENT CAPACITIES

Sl. No	Description	No of respondents	Percentage
A	Manager	31	46.3
B	Entrepreneur	11	16.4
C	Government Officials	18	26.9
D	Consultants	4	6.0
E	Others	3	4.5
	Total	67	100.0

Different industrial packages including subsidy provide opportunities for the entrepreneurs to expand their investment avenues to satisfy their profit motive needs. This simultaneously brings challenges for the management and pushes them to optimize the resource utilization. Thus the importance of their understanding, perception and experience regarding the packages play vital in the study. The data under the study covers 46.3% managers' information and covers16.4% of entrepreneurs'. At the same time 27% (approx.) govt. officials involved have been asked to furnish some vital study related information.

INTERNATIONAL JOURNAL OF RESEARCH IN COMMERCE, IT & MANAGEMENT 35
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TABLE 5: NATURE OF UNIT

Sl. No	Description	No of respondents	Percentage
A	Holding unit	11	16.4
B	Subsidiary unit	48	71.6
C	Ancillary Units	1	1.5
D	Others	7	10.4
	Total	67	100.0

The data indicates that the majority of the data is pertaining to the subsidiary units under the study and is covering 71.6% of the data so obtained. The parent holding units so covered are 16.4% of the total data.

TABLE 6: MAIN OBJECTIVE OF ESTABLISHING THIS UNIT

Sl. No	Description	No of respondents	Percentage
A	To capture the market opportunity	34	50.7
B	As a part of SBU	2	3.0
C	As a part of Expansion program	2	3.0
D	Better Infrastructure facility offered by the state	12	17.9
E	Better Industrial incentive provided by the state government	16	23.9
F	other objectives	1	1.5
	Total	67	100.0

Before separation from Uttar Pradesh Uttaranchal had always been a politically neglected part. Thus a lot of potential and opportunities were untapped. But it is significant to note that the preliminary data in the table above indicates that it is not merely the government incentives for the industrialization in the state has attracted the entrepreneurs to bring their units to Uttarakhand. Rather it is the potential untapped market as indicated by more than 50% of the respondents. In some cases (17.6%) it's the better infrastructure and to avail this facility industrial units have established themselves in the state. The data also suggests that the incentive packages are comparatively less attractive as a main objective to bring industrial setups.

TABLE 7: FACTOR INFLUENCED YOU TO SETUP INDUSTRY IN UTTRAKHAND

Sl. No	Description	No of respondents	Percentage
A	Low Cost	14	20.9
B	Closeness to a source of raw materials	1	1.5
C	Closeness to a market	21	31.3
D	Closeness to a method of transport	5	7.5
E	Government Intervention	26	38.8
	Total	67	100.0

Here (**Table 7**) the data indicates that the industrial setups are more influenced by the state Government's intervention, as covers 38.8% of the data. And this is emerging as one of the affecting factors followed by market closeness (31.3%) and low cost (20.9%) for the business setups. This again provides the confirmation about the unexplored market potentials in the state.

TABLE 8: SIGNIFICANT ADVANTAGE AS PERCEIVED

Sl. No	Description	NO of respondents	Percentage
A	**Yes**	**52**	**77.6**
B	**No**	**15**	**22.4**
	Total	**67**	**100.0**

It's evident from the table (**Table 8**) that the respondents are mostly convinced that their business setup is obtaining substantial advantage being established in Uttarakhand. A 22.4% denial against 77.6% acceptance of the apparent advantage is being reflected in the data so collected.

TABLE 9: IMPACT OF INDUSTRIAL SHIELD ON THE PROCESS OF INDUSTRIALIZATION OF THE STATE

Sl. No	Description	NO of respondents	Percentage
A	It has accelerated the industrialization of the state	26	38.8
B	It has insignificant impact on the acceleration of industrialization in the state	26	38.8
C	It has no effect on the process of acceleration	15	22.4
	Total	67	100.0

In addition to the above table (**Table 8**) it is worthwhile to note that, although 77.6% (see **Table 9**) of the respondents believe that their businesses are drawing significant advantage being in Uttarakhand; there is prominent disagreement (61.2%) against the idea that the Industrial shield/package has accelerated the Industrialization of the state.

INTERNATIONAL JOURNAL OF RESEARCH IN COMMERCE, IT & MANAGEMENT 36
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TABLE 10: PRINCIPAL COMPONENT ANALYSIS WITH ROTATED COMPONENT

	Communality					
	Economic And Operational Issues	Geographical And Labour Productivity Issues	Economic Mobilization And Development Issues	Climatic Condition And Inter State Competitiveness	Social Issues	
Adverse geographical condition does not favour the industrialists to set up industries in hilly region.	.869					.810
Subsidies have an economic impact by distorting prices and therefore affecting production and	.793					.757
Subsidies affect the competitiveness of goods from certain sectors	.771					.845
Special industrial package has made a positive impact on the industrial growth of the state.	-.664					.721
Transportation subsidy offered by government has helped in developing industrialization in the	.663					.743
Industrial subsidy is needed to have balance economic growth and achieve competitiveness	.620					.723
Initial inequality of human capital is the main reason of regional imbalances in terms of		.853				.803
To redress geographical imbalances thrust should be on removing location disadvantages through the		.840				.854
Industrial subsidies generally do not make sense as they lead to misallocation of resources		.795				.895
Industrial package provided by state has helped Rural industrialization			.876			.946
Industrial subsidy in terms of fiscal incentives has Invariably led to the creation of inefficient and			.830			.868
Industrial subsidy will boost economic mobilization of the state			-.758			.848
Withdrawal of the industrial package will adversely impact the process of economic development of			.668			.861
Extension of the incentives for industry available to state of had adversely affected the industrial				.895		.957
Industry selected for the subsidy does not match with the climatic condition of the state.				.828		.806
Direct subsidies instead of exemption from direct or indirect taxes and "corrective steps" to control					.914	.935
Subsidies would necessarily have positive economic, environmental and social effects across					.589	.788
Eigen Values	4.910	3.607	2.609	1.794	1.238	
% of Variation	28.883	21.218	15.347	10.553	7.284	
Cumulative % of Variation	28.883	50.102	65.449	76.001	83.285	

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

A Rotation converged in 8 iterations.

Understanding the factors promoting industrialization as perceived by the respondents of different professional categories in Uttarakhand is of a major interest for academia, researchers and many more. The empirical study indicates that there are many sources of their perception like, Economic and Operational issues, Geographical and Labour Productivity issues, Economic mobilization and Development issues, Climatic Condition and Inter State Competitiveness and Social Issues. For this respondent were asked to rate their views on the following statement i.e., "Adverse geographical condition does not favour the industrialists to set up industries in hilly region", "Subsidies have an economic impact by distorting prices and therefore affecting production and consumption decisions", "Subsidies affect the competitiveness of goods from certain sectors", "Special industrial package has made a positive impact on the industrial growth of the state", "Transportation subsidy offered by government has helped in developing industrialization in the remote, hilly and inaccessible areas of the state and made firm able to compete with other similar industries", Industrial subsidy is needed to have balance economic growth and achieve competitiveness with developed region", "Initial inequality of human capital is the main reason of regional imbalances in terms of industrialization of state", "To redress geographical imbalances thrust should be on removing location disadvantages through the development of infrastructure rather than through subsidies", "Industrial subsidies generally do not make sense as they lead to misallocation of resources", "Industrial package provided by state has helped Rural industrialization", "Industrial subsidy in terms of fiscal incentives has Invariably led to the creation of inefficient and uncompetitive industry, which may not be able to sustain itself in the long run", "Industrial subsidy will boost economic mobilization of the state", "Withdrawal of the industrial package will adversely impact the process of economic development of the state", "Extension of the incentives for industry available to state of had adversely affected the industrial climate of more advanced adjoining states", "Industry selected for the subsidy does not match with the climatic condition of the state", "Direct subsidies instead of exemption from direct or indirect taxes and "corrective steps" to control adverse effect on the advanced neighboring states", "Subsidies would necessarily have positive economic, environmental and social effects across the various industry". And the respondents were asked to rate the above statements on a scale of 1 to 5 as per their preference. The exploratory factor analysis is used to identify the factors. Principal Component analysis is employed for extracting factors and orthogonal rotation with Varimax is applied. As latent root criterion is used for extraction of factors, only the factors having latent roots or Eigen values greater than one were considered significant; all other factors with latent roots less than one were considered insignificant and disregarded. The extracted factors along with their Eigen values are shown in table 10. The factors are given suitable names on the basis of representation in each case. Thus five factors, each having Eigen value exceeding one are considered. Eigen values for the five factors are 4.910, 3.607, 2.609, 1.794, and 1.238 respectively. The index for the present solution accounts for 83.285% of the total variations for the factors for managerial perception Industrial subsidy. This may be considered as substantially a good extraction because we are able to economise on the number of choices of factors (from 17 to 5 underlying factors), we lost 16.715 % of information content. The percentages of variance explained by factors one to five are 28.883, 21.218, 15.347, 10.553 and 7.284 respectively. Large communalities indicate that a large number of variances have been accounted for by the factor solutions. Varimax rotated factor analysis results for the factors are shown in table 10 which

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indicates that after 5 factors are extracted and retained, the communalities are, 0.810for variable 1, 0.757 for variable 2, 0.845 for variable 3 and so on. The proportion of the variance in any one of the original variable which is being captured by the extracted factors is known as communality (Nargundkar, 2002).

TABLE 11: MEAN OF DIFFERENT FACTORS ACROSS DIFFERENT PROFESSIONALS

Engaged in the capacity of	Economic And Operational Issues	Geographical And Labour Productivity Issues	Economic Mobilization And Development Issues	Climatic Condition And Inter State Competitiveness	Social Issues
Manager	4.0833	3.5000	3.9083	3.0833	3.6667
Entrepreneur	4.0303	2.7576	3.7045	2.7273	3.7273
Government Officials	4.3056	3.7222	3.7361	3.1667	4.2036
Consultants	4.0000	3.8333	3.7500	2.7500	3.0000
Others	4.5000	3.5556	3.9167	3.6667	4.1667
Total	4.1490	3.4596	3.8182	3.0530	3.8333

After reducing the factors' combined mean of the different factors regarding the perception of different professionals towards impact of subsidy on industrialization in the state of Uttarakhand reveals that "Economic and Operational Issues" has scored highest among all. It is significant to note that climatic condition and interstate competitiveness have been rated lowest by the consultants as it has scored 2.75.

TABLE 12: ANOVA WITH TYPE OF PROFESSION

		Sum of Squares	df	Mean Square	F	Sig.
Economic And Operational Issues	Between Groups	1.184	4	0.296	3.192	0.019
	Within Groups	5.657	61	0.093		
	Total	6.840	65			
Geographical And Labour Productivity Issues	Between Groups	7.298	4	1.824	2.556	0.048
	Within Groups	43.539	61	0.714		
	Total	50.837	65			
Economic Mobilization And Development Issues	Between Groups	0.555	4	0.139	0.994	0.418
	Within Groups	8.513	61	0.140		
	Total	9.068	65			
Climatic Condition And Inter State Competitiveness	Between Groups	2.924	4	0.731	0.872	0.486
	Within Groups	51.140	61	0.838		
	Total	54.064	65			
Social Issues	Between Groups	8.082	4	2.021	4.725	0.002
	Within Groups	26.085	61	0.428		
	Total	34.167	65			

One way ANOVA is calculated to check the hypothesis, "different factors influencing performance of enterprise does not differ significantly across the personnel of different professional categories". From the table it is clear that calculated value of F is greater than the tabulated value of F (2.37) at (p< 0.05) level of significance in the case of factors like, "Economic and Operational Issues", "Geographical and Labour Productivity Issues and Social Issues". Hence null hypothesis is rejected indicating that there is significant difference in the mean of different factor across the different professionals, except in the case of factor like "Economic Mobilization and Development Issues" and "Climatic Condition and Inter State Competitiveness".

TABLE 13: ANOVA WITH NATURE OF ORGANIZATION

		Sum of Squares	df	Mean Square	F	Sig.
Economic And Operational Issues	Between Groups	0.787	1	0.787	8.316	0.005
	Within Groups	6.054	64	0.095		
	Total	6.840	65			
Geographical And Labour Productivity Issues	Between Groups	28.371	1	28.371	80.824	0.000
	Within Groups	22.465	64	0.351		
	Total	50.837	65			
Economic Mobalisation And Developmental Issues	Between Groups	0.668	1	0.668	5.089	0.028
	Within Groups	8.400	64	0.131		
	Total	9.068	65			
Climatic Condition And Inter State Competitiveness	Between Groups	0.322	1	0.322	0.383	0.538
	Within Groups	53.743	64	0.840		
	Total	54.064	65			
Social Issues	Between Groups	5.097	1	5.097	11.222	0.001
	Within Groups	29.069	64	0.454		
	Total	34.167	65			

One way ANOVA is calculated to check the hypothesis, "different factors influencing the performance of enterprise does not differ significantly across the personnel of different organizational categories". From the table it is clear that calculated value of F is greater than the tabulated value of F (2.37) at (p< 0.05) level of significance except in the case of factor like "Climatic Condition and Inter State Competitiveness". Hence null hypothesis is rejected indicating that there is significant difference in the mean of different factor across the different professionals of different organizational categories.

CONCLUSION

In conclusion it can be said that subsidy offered by state and central government has motivated entrepreneurs to setup the business ventures in Uttarakhand. It is found in the study that majority of the personnel of different professional categories working in different organizational categories are in the opinion that industrial package has attracted the greater investment in the state and promoted large number of entrepreneurship. The study also indicates that there is significant difference in the mean of different factor across the different professionals, except in the case of factor like "Economic Mobilization and Development Issues" and "Climatic Condition and Inter State Competitiveness". The study may be helpful to understand different motives of their establishment and their long run approach even if the benefits are expired. Also this may help us understand the relationship between their operational motive and contribution towards state development.

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