



**School of Entrepreneurship Skills
Session: 2019-20 (Summer)
B. Voc. Program, 1st-Semester,
End-Sem. Examination**

**Time: 2 Hours
Max. Marks: 50**

Course Code: SES1101

Course Name: Creativity, Innovation and Entrepreneurship

Instruction: 1. Attempt all questions. All questions are compulsory.
2. Write answers legibly in English only.

Section – A

10X01 = 10 Marks

Note: 10 objective type questions, each question carries 01 mark.

- Q1. According to Robert Hisrich, Entrepreneurship is defined as....?
- (a) The process of creating something new with value by devoting the necessary time and efforts
 - (b) The pursuit of opportunity beyond resources controlled
 - (c) The art and science of converting business ideas into marketable products or services to improve the quality of living
 - (d) All of the above
- Q2. Intreneurs are the.....
- (a) Owners of an enterprise
 - (b) Risk-bearing and risk-taking
 - (c) Employees of an enterprise and do not bear any risk associated with the entrepreneurship
 - (d) None of the above
- Q3. A business plan is....
- (a) A written description of the future direction of the business
 - (b) Developed in order to exploit the defined opportunity
 - (c) Essential to developing the opportunity, determining the resources required & successfully managing the resulting venture
 - (d) All of the above
- Q4. The Factors impacting emergence of entrepreneurship relates to....
- (a) Capital, Labor & Raw material
 - (b) Market, Infrastructure & social factors
 - (c) Improvement in per capita income & standard of living
 - (d) Both a & b
- Q5. The concept of Innovation means.....
- (a) Finding new ways and ideas to create more productive techniques and processes
 - (b) Providing new value to your business in order to earn more money
 - (c) The Innovation is the specific tool of doing business
 - (d) The means by which innovators exploit change as a means



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- Q6. Environmental scanning refers to
- (a) Entrepreneurship Environment analysis
 - (b) The study of the organizational environment to pinpoint environmental factors
 - (c) Scanning of Different layers of the business Environment
 - (d) All of the above
- Q7. The decision to become an entrepreneur is defined as
- (a) Entrepreneurship Process
 - (b) Entrepreneurship development Process
 - (c) Entrepreneurship decision Process
 - (d) Entrepreneurship business Planning process
- Q8. The term "Potential Entrepreneur" refers to
- (a) A person who possess and shows entrepreneurial orientation
 - (b) A person who has the potential to become an Entrepreneur
 - (c) A person who possess and shows entrepreneurial aspirations
 - (d) A person who build a new business on his own
- Q9. A framework for Design thinking consist of the steps related to....
- (a) Framing & reframing opportunities
 - (b) Incubation & Ideation
 - (c) Evaluating & Refining ideas
 - (d) All of the above
- Q10. For the innovator, the design thinking approach looks to...
- (a) Minimize the uncertainty and risk of innovation
 - (b) Using collective intelligence to grow their understanding of customer needs
 - (c) Both a & b
 - (d) None of the above

Section – B

04X04 = 16 Marks

Note: 04 short answer type questions, each question carries 04 marks.

- Question-1 Describe the Stages in creativity process.
- Question-2 Describe the concept of Business Innovation?
- Question-3 Describe briefly the Creative techniques for generating business ideas.
- Question-4 Discuss briefly the types of Innovations.

Section – C

04X06 = 24 Marks

Note: 04 long type questions, each question carries 06 marks.

- Question-1 Distinguish between an Intrapreneur & Entrepreneur. Discuss briefly as to how an entrepreneur is distinct from the Entrepreneurship.
- Question-2 What is the concept of Design thinking for Innovation? Discuss the framework for design thinking facilitating business innovations.
- Question-3 Discuss in Relationship between creativity, Innovation and entrepreneurship.
- Question-4 Give a brief account of the Characteristics and Traits of Entrepreneurs.



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ANSWER KEYS

Section – A

10X01 = 10 Marks

Note: 10 objective type questions, each question carries 01 mark.

- Q1. Creating something new with value by assuming risk & rewards
- Q2. All of the above
- Q3. Deciding to create new enterprise
- Q4. Lateral thinking
- Q5. Finding new ways and ideas to create more productive techniques and processes
- Q6. All of the above
- Q7. Entrepreneurship decision Process
- Q8. A person who has the potential to become an Entrepreneur
- Q9. Both a & b
- Q10. All of the above

Section – B

04X04 = 16 Marks

Note: 04 short answer type questions, each question carries 04 marks.

Question-1 What do you mean by Entrepreneurship?

Answer- Entrepreneurship as a Theoretical Concept refers to the creative and dynamic process of Creating, Building, Launching, Operating & Managing a new business venture by-

- Taking calculated risks with due diligence,
 - Assuming the resulting rewards of personal satisfaction, Independence & Monetary gains.
- Definition of entrepreneurship: According to Howard Stevenson, professor at Harvard Business School, "Entrepreneurship is the pursuit of opportunity beyond resources controlled". This simply means that Entrepreneurship is the process of pursuing opportunity creatively.

According to Robert D. Hisrich, Peters and Shepherd, "Entrepreneurship is the process of creating something new with value by devoting the necessary time and effort, assuming the accompanying financial, psychic, and social risks, and receiving the resulting rewards of monetary and personal satisfaction and independence."

Basic aspects of the Definition by Robert D. Hisrich, Peters and Shepherd- This definition stresses four basic aspects of being an entrepreneur as under-

- First, entrepreneurship involves the creation process—creating something new of value.
- Second, entrepreneurship requires the devotion of the necessary time and effort.
- The third part of the definition involves assuming the accompanying financial, psychic, and social risks.
- The fourth part of the definition involves the rewards of being an entrepreneur.

Following are the characteristics features of the concept of entrepreneurship-

- An Economic activity, A Creative activity
- An innovative function, A dynamic process
- An ongoing function, A Risk bearing function
- A gap-filling function, A goal oriented activity

Question-2 Who is an Entrepreneur?

Answer- An entrepreneur as a person is someone who have the ability to see and evaluate business opportunities and start a new business to offer a new or existing product or service into a new or existing market, whether it is for a profitable or Social outcome.

The term Entrepreneur refers to-

- A person Who visualizes a business opportunity in the environment?
- A person who takes steps to promote a new enterprise,
- Assembles resources in the form of men, materials and money to make the business venture successful and
- Bears the risk and uncertainties involved.



An entrepreneur is one who always searches for changes responds to it and exploits it as an opportunity. The entrepreneurs have been broadly classified according to the type of business, use of professional skill, motivation, growth and stages of development. The various type of entrepreneur is as follows-

Business entrepreneur: Business entrepreneurs are individuals who conceive an idea for a new product or service and then create a business to materialize their idea into reality. They may set up a big establishment or a small business unit. They are called small business entrepreneurs when found in small business units such as printing press, textile processing house, advertising agency, readymade garments or confectionery.

Trading Entrepreneur: The trading entrepreneur is one who undertakes trading activities and is not concerned with the manufacturing work. He identifies potential markets, stimulates demand for his product line and creates a desire and interest among buyers to go in for his product line and creates a desire and interests among buyers to go in for his product line and creates a desire and interests and buyers to go in for his product. He is engaged in both domestic and overseas trade.

Industrial Entrepreneurs: Industrial entrepreneur is essentially a manufacturer who identifies the potential needs of customers and tailors a product or service to meet the marketing needs. He is product-oriented man who starts in an industrial unit because of the possibility of some new product.

Corporate Entrepreneur: Corporate entrepreneur is a person who demonstrates his innovative skill in organizing and managing corporate undertaking. A corporate undertaking is a form of business organization which is registered under some statute or act which gives it a separate legal entity. A trust registered under Trust act or company registered under the company's act is examples of corporate undertakings. A corporate entrepreneur is thus an individual who plans, develops and manages a corporate body.

Agricultural Entrepreneur: Agricultural entrepreneur are those entrepreneurs who undertake agricultural activities as raising and marketing of crops, fertilizers and other inputs of agriculture. They are motivated to raise agricultural through mechanization, irrigation and application of technologies for dry land agriculture products.

Question-3 Briefly describe the Nature & features of the concept of Creativity.

Answer- Creativity is one of the aspects of intelligence and is one of the most important features of the human mind. It is creativity, in the very specific sense of the term used here, which distinguishes humans from machines. Creativity is the ability to make or do something new that is also useful or valued by others. The "something" can be an object (like an essay or painting), a skill (like playing an instrument), or an action (like using a familiar tool in a new way). To be creative, the object, skill, or action cannot simply be bizarre or strange; it cannot be new without also being useful or valued, and not simply be the result of accident. If a person types letters at random that form a poem by chance, the result may be beautiful, but it would not be creative by the definition above.

Creativity and innovation addresses ways of doing things better and differently. Creativity as a dictionary word is spelled as a Noun and the meaning is "the use of imagination or original ideas to create something; inventiveness". The word Creativity is conceptualized as a concept and is defined differently by different people in different contexts.

This concept is defined as the ability of any person, as a process, technique or mindset that helps in the creation of an innovative concept, design or product. Creativity is viewed as the capacity or ability of a person through which something new ideas, objects, arrangement or re-arrangement of old elements can be built up for bringing about uplift in the society. The creative thinkers always explore new areas and makes new observations, new predictions and new inferences.

Features of Creativity

1. Firstly, one of the important features of creativity is novelty. By the term 'novelty', we mean that the product did not come into existence before the act in question was performed. The novelty of the creativity of a product lies in the fact that it is different from other products already existing in the same domain. We come to know this only after the object is



2. produced. No prior knowledge of the antecedent events and processes or the circumstances that led to the production of object can help us to know in advance what features the product will have. As Vernon defined it, "creativity denotes a person's capacity to produce new or original ideas, insights, invention or artistic products, which are accepted by experts as being of scientific, aesthetic, social, or technical value."
3. Creativity as Problem Solving
We may understand creativity as problem solving. Thus a novel combination of ideas is said to be creative if it constitutes a solution to a problem. Problem solving is associated with many human activities. However, many questions arise such as: Are all problems well defined? Do we always know what the problem is? Are goals always clearly established? In many cases, the answer is no, so problem solving is not a mechanical affair, it is a creative act. Thus creative problem solving is different from the routine, mechanical ones.

Question-4 What do mean by Business Innovation? Give Example.

Answer- Innovation is the process of making (something) new or doing something in a new way. In business, innovation also has to include the concept of improvement; to innovate in business is not just to do something differently, but to do or make something better. Business innovation is an organization's process for introducing new ideas, workflows, methodologies, services or products. Business innovation is when an organisation introduces new processes, services, or products to affect positive change in their business. This can include improving existing methods or practices, or starting from scratch. Ultimately the goal is to reinvigorate a business, creating new value and boosting growth and/or productivity. Business innovation enables the achievement of goals across the entire organization, with sights set on accomplishing core business aims and initiatives. Innovation often begins with idea generation, wherein ideas are narrowed down during brainstorming sessions, after which leaders consider the business viability, feasibility and desirability of each idea.

Important Points

- Business Innovations are related to new offerings and value propositions in the form of new services or products or
- "new" methods in the form of new technology applications or business processes or
- new business models in the form of new channels, partners and financial models for capturing value from innovation investments.

Section – C

04X06 = 24 Marks

Note: 04 long type questions, each question carries 06 marks.

Question-1 What is the need of entrepreneurship? Describe the importance of entrepreneurs in Socio-economic development.

Answer- Basically, entrepreneurship is both an art and science of converting business ideas into marketable products or services to improve the quality of living.

The Need for Entrepreneurship: Entrepreneurship is the act of being an entrepreneur, which is a French word meaning "one who undertakes an endeavor". Entrepreneurs assemble resources including innovations, finance and business acumen in an effort to transform innovations into economic goods. The most obvious form of entrepreneurship is that of starting new businesses; however, in recent years, the term has been extended to include social and political forms of entrepreneurial activity.

The concept of entrepreneurship has a wide range of meanings. On the one extreme an entrepreneur is a person of very high aptitude who pioneers change, possessing characteristics found in only a very small fraction of the population.

According to A.H. Cole, "Entrepreneurship is the purposeful activity of an individual or group of associated individuals, undertaken to initiate, maintain or aggrandize profit by production or distribution of economic goods or services".

Entrepreneurship promotes small business in the society. Government has accepted the fact that small firms have a crucial role to play in the economic development of the country. Most economists today agree that entrepreneurship is a necessary ingredient for stimulating economic growth and employment opportunities in all societies.



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Important points of the need of entrepreneurship

- Wealth Creation and Sharing through Investment of capital and further Capital formation
- Create Jobs and generates employment opportunities
- Contribution in the growth in GDP and per capita income
- Sparking Balanced Socio-Economic and Regional Development
- contributing to improvement in various key goals such as Foreign trade (exports), standard of living, skills development and community development

Small businesses are an essential part of our future economic prosperity because of the following reasons: -

- **Employment generation:** Entrepreneurial development is looked at as a vehicle for employment generation through promotion of small business.
- **Small business dynamism:** Great dynamism is one of the qualities of the small and medium enterprises. This quality of dynamism originates in the inherent nature of the small business. The structure of small and medium enterprises is less complex than that of large enterprises and therefore facilitates quicker and smoother communication and decision-making. This allows for the greater flexibility and mobility of small business management.
- **Balanced economic development:** Small business promotion needs relatively low investment and therefore can be easily undertaken in rural and semi-urban areas. This in turn creates additional employment in these areas and prevents migration of people from rural to urban areas. Since majority of the people are living in the rural areas, therefore, more of our development efforts should be directed towards this sector.
- **Innovations in enterprises:** Business enterprises need to be innovative for survival and better performance. It is believed that smaller firms have a relatively higher necessity and capability to innovate. The smaller firms do not face the constraints imposed by large investment in existing technology. Thus they are both free and compelled to innovate. Entrepreneurship development is accelerating the pace of small firm's growth in India. An increased number of small firms are expected to result in more innovations and make the Indian industry compete in the international market.

Importance of Entrepreneurship: Entrepreneurship is the way of identifying opportunities, creating many job opportunities. Entrepreneurship is often difficult, young entrepreneurship often fail when they do not have a strong foundation related to the education and business capital.

A person, who is willing and able to convert an idea or invention into a successful innovation, is regarded as an entrepreneur. Entrepreneurship forces "creative destruction" in the market and industry, as well as create new products and business models. In this way, the damage is responsible for the creative dynamics of the industry and in the long-term economic growth.

Entrepreneurship is about taking risks. Reflects the behavior of the kind of person who is willing to put his career and financial security and take the risk on the idea, spent much time and capital on a certain business.

It has been said that entrepreneurship is essential for economic development.

- In capitalistic economies, the entrepreneurs played an important role in their development.
- In socialist economies, the state played the role of the entrepreneur.
- But in a developing country like India which followed the path of mixed economy, both the government and the private entrepreneurs played an equally important role.

Entrepreneurs are regarded as the prime movers of innovations and act as key figures in economic development of a country.

Thus, entrepreneurship:

- Helps the formation of capital by bringing together the savings and investments of people;
- Provides large-scale employment opportunities and increases the purchasing power of the people;
- Promotes balanced regional development in the country;



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Helps in reducing concentration of economic power (power to own the factor of production in a few hands).

- Helps in the Creation of job opportunities
- Helps in nurturing innovation that provides new ventures, product, technology, market, quality of good etc. to the economy that increases Gross Domestic Products and standard of living of the people.

Question-2 What do you mean by the concept of Design thinking? Discuss the different techniques & ways for fostering creativity at the workplace.

Answer- Concept of Design thinking: Design thinking is a process for creative problem solving. Design thinking can be described as a discipline that uses the designer's sensibility and methods to match people's needs with what is technologically feasible and what a viable business strategy can convert into customer value and market opportunity. Design thinking draws on logic, imagination, intuition and systemic reasoning to explore the possibilities of what could be and to create desired outcomes that benefit the end user (the customer). A design mindset is not problem-focused, it's solution-focused and action-oriented. It involves both analysis and imagination.

Techniques for fostering creativity: Many people assume that creativity is an inborn talent that their kids either do or do not have: just as all children are not equally intelligent, all children are not equally creative. But actually, creativity is more skill than inborn talent, and it is a skill parents can help their kids develop.

Here are some ideas for fostering creativity in your kids:

- Provide the resources they need for creative expression.
- Make your home a Petri dish for creativity. In addition to creative spaces, you need to foster a creative atmosphere.
- Allow people the freedom and autonomy to explore their ideas and do what they want. Don't be so bossy.
- Encourage children to read for pleasure and participate in the arts. Limit TV and other screen time in order to make room for creative activities like rehearsing a play, learning to draw, reading every book written by a favorite author.
- Give people the opportunity to express "divergent thought." Let them disagree with you. Encourage them to find more than one route to a solution, and more than one solution to a problem. When they successfully solve a problem, ask them to solve it again but to find a new way to do it (same solution, different route). Then ask them to come up with more solutions to the same problem.
- Don't reward children for exhibiting creativity: incentives interfere with the creative process, reducing the quality of their responses and the flexibility of their thought.
- Try to stop caring what your kids achieve. Emphasize process rather than product. One way you can do this is by asking questions about the process – Did you have fun? Are you finished? What did you like about that activity?

Ways to foster creativity in the workplace: Below are some excellent ways for business leaders to foster creativity in the workplace:

1. Embrace communication at all levels: Every employee in your business has the ability to come up with a great idea. Creating a business culture in which individuals are encouraged to speak up at meetings and give their input is vital to break through those dry spells at the office. It's also crucial for managers to not become too critical of an employee's initial idea – keep in mind that some of these ideas might not be fully developed yet, and sometimes it takes going through several bad ideas to come up with one that really works for the company.

2. Hold regular brainstorming sessions: In the corporate world, it's easy for managers and employees to get "tunnel vision," which can definitely bring creative flow to a stifling halt. One easy – and often fun – way to remedy this is to have frequent brainstorming sessions to come up with solutions. There doesn't need to be an agenda and they can be as open-ended as you want.

3. Recognize and reward creative solutions that work: If one of your employees comes up with a really great concept for the company, be sure to reward that individual publicly. This will encourage everyone to come up with their own creative solutions to problems and foster a culture of positivity and innovation. When creative solutions are valued, your employees will want to make them a part of their conversations and problem-solving strategies. Creative brainstorming sessions are excellent ways to free up ideas.



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Give employees the tools they need to achieve creative solutions: Technology in the workplace is more advanced than ever, and can include business simulations, data analytics and other diagnostic tools. Dave Peters, a development and strategy director at Brother, explained to the Telegraph that taking advantage of tech advancements in mobile helped his company create optimized experiences for Brother's customers. In an ever-expanding digital and global workforce, innovation and creativity cannot be accomplished without technological advancements and software.

5. Personally develop individual creative skills: There is value to a team assessment, but personal development is also key for managers if they want to foster a creative atmosphere. Creating a culture of creativity could be an excellent way to take your business to the next level. Try implementing some of these strategies to see if they are a good fit for your company.

Question-3 Discuss in Relationship between creativity, Innovation and entrepreneurship.

Answer- The whole idea of starting up a new business, a new company, comes from ones' creativity. The starting up of a business is creation. It is creativity that enables an entrepreneur to act on the opportunities that present to him, in order to create competitive advantage for his company.

Innovation is the next step of creativity; it is its materialization and the means to generate wealth. It is, or it can be, the financial link between ones' thoughts and fantasies with the economy. Creativity is the heart of entrepreneurship and innovation is the oxygen that is keeping it alive.

Creativity, Innovation and Entrepreneurs: Creativity is thinking new things, and innovation is doing new things. Creativity is the ability to develop new ideas and to discover new ways of looking at problems and opportunities. Innovation is the ability to apply creative solutions to those problems and opportunities in order to enhance people lives or to enrich society.

Entrepreneurship = creativity + innovation

Entrepreneurship is the result of a disciplined, systematic process of applying creativity and innovation to needs and opportunities in the marketplace.

Entrepreneurs are those who marry their creative ideas with the purposeful action and structure of a business.

The relationship between entrepreneurship and innovation: Conceptual and theoretical relationship between entrepreneurship and innovation for years has been investigated in the literature. Economic principles of innovation attract increasing attention focused in recent years.

The basic theories concerning the economic principles of innovation and innovation for the three models are: Entrepreneur pattern, the pattern of economic principles - technology and strategic pattern. Entrepreneur pattern goes back to the 1930s, for the first time, the famous entrepreneurship author Schumpeter tried to find a relationship between entrepreneurs and innovators and entrepreneurs as innovators raised. He plays a large role in the economic development of innovation because entrepreneurs are generating innovations.

The concept of the entrepreneur as an innovator, entrepreneur, will form the foundation model in which the role of the entrepreneur in the innovation process is highlighted. Overall, based on this model, innovation is a creative and entrepreneurial action.

Question-4 What is the concept of Creative Problem Solving? Explain various Creative Techniques for Generating Business Ideas

Answer- **Creative Problem Solving-** Obtaining new ideas focusing on the parameters through creative process. Brainstorming is probably the most well-known and widely used for both creative problem solving and idea generation.

Creative problem solving (CPS) is a way of solving problems or identifying opportunities when conventional thinking has failed. It encourages you to find fresh perspectives and come up with innovative solutions, so that you can formulate a plan to overcome obstacles and reach your goals.

It's a process that helps you redefine the problems and opportunities you face, come up with new, innovative responses and solutions, and then take action. The tools and techniques used make the process fun, engaging, and collaborative. CPS not only helps you create better solutions; it creates a positive experience that helps speed the adoption of new ideas.

Following are the important Creative Techniques for Generating Business Ideas:

Focus groups- Group of individuals providing information in a structured format is called a focus group. The group of 8 to 14 participants is simulated by comments from other group



members in creatively conceptualizing and developing new product idea to fulfill a market need.

Brainstorming- A group method of obtaining new ideas and solutions is called brainstorming. The brainstorming method for generating new ideas is based on the fact that people can be stimulated to greater creativity by meeting with others and participating with organized group experiences. Although most of the ideas generated from the group have no basis for further development, often a good idea emerges.

Problem inventory analysis- Generate new product ideas by providing with a list of problems in a general product category, to relate known products to suggested problems and arrive at a new product idea then to generate an entirely new idea by itself.

Reverse brainstorming- Similar to brainstorming, but criticism is allowed and encouraged as a way to bring out possible problems with the ideas.

Synectics- Synectics is a creative process that forces individuals to solve problems through one of four analogy mechanisms: personal, direct, symbolic and fantasy. This forces participants to consciously apply preconscious mechanisms through the use of analogies in order to solve problems.

Gordon method- Gordon method is a method of developing new ideas when the individuals are unaware of the problem. In this method the entrepreneur starts by mentioning a general concept associated with the problem. The group responds with expressing a number of ideas.

Checklist method- Developing a new idea through a list of related issues is checklist method of problem solving.

Free association method- Developing a new idea through a chain of word association is free association method of problem solving.

Forced relationship- Forced relationship is the process of forcing relationship among some product combination. It is technique that asks questions about objects or ideas in an effort to develop a new idea.

Collective notebook method- It is method in which ideas are generated by group members regularly recording ideas.

Heuristics- It is method of developing a new idea through a thought process progression.

Scientific method- This is a more structured method of problem solving, including principles and rules for concept formation, making observations and experiments, and finally validating the hypothesis.

Value analysis- Value analysis is developing a new idea by evaluating the worth of aspects of ideas.

Attribute listing- This is an idea finding technique that requires the entrepreneur to list the attributes of an item or problem and then look at each from a variety of viewpoints.

Matrix charting- Matrix charting is a systematic method of searching for new opportunities by listing important elements for the product area along two axis of chart and then asking questions regarding each of these elements.

Big dream approach- Developing a new idea by thinking about constraints is big-dream approach of problem solving.

Parameter analysis- Parameter analysis is developing a new idea by focusing on parameter identification and creative synthesis.

Reversal- This involve asking the opposite of the question one want to ask, and apply the results. The strength of this techniques lies in assuming that all assumptions are false, limiting, reversible and therefore one needs to make assumptions for improving a product or service.

SCAMPER- This method has a checklist that facilitates thinking of changes one can make to an existing product or service to create a new one. The technique has idea-driven questions which are powerful in coming up with new thoughts and ideas. The changes SCAMPER stands for are as follows-

S- Substitute

C- Combine

A-Adapt

M- Modify

P- Put to another use to derive different value proposition

E- Eliminate

R- Reverse

Set A

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Registration No.:

School of Entrepreneurship Skills

Session: 2019-20 (Summer Semester)

End Sem. Examination

Set A

Time: 2 Hours

Max. Marks: 50

Course Code: SES 1102

Course Name: Entrepreneurial Motivation Training

Section-A

10x01 = 10 marks

Q.1) Tick the correct option:-

1. Which of the following shows the process of creating something new?

- a) Business model
- b) Modeling
- c) Innovation
- d) Creative flexibility

2. If you want to develop cooperation and team spirit in students, which activities would you propose?

- a) Art
- d) Debate
- c) Quiz
- d) Project Work

3. The functions of management starts with:

- a) Buying
- b) Planning
- c) Organizing
- d) Supervising

4. Which of these is true about Entrepreneurs?

- a) Entrepreneurs are born, not made
- b) Entrepreneurs take calculated risk.
- c) Age is no barrier for entrepreneurs.
- d) All the above are true.

5. People who work for someone else:

- a) Aptitude
- b) Employee
- c) Entrepreneur
- d) Entrepreneurship

6. Evaluation of your strengths and weakness:

- a) Self-assessment
- b) PESTEL
- c) Kaizen
- d) Self-esteem

7. People who own, operate and take risk of a business venture:

- a) Aptitude
- b) Employees
- c) Entrepreneurs
- d) Enterprise

8. The ability to learn a particular type of job:

- a) Aptitude
- b) Altitude
- c) Arithmetic
- d) Algorithm

9. Which one is NOT the disadvantage of Entrepreneurship?

- a) Risky
- b) Uncertain Income
- c) You are the Boss
- d) Work long hours.

10. Which one is not an advantage of Entrepreneurship?

- a) Can choose a business of interest.
- b) You can be creative
- c) Make lot of money
- d) You will make decisions alone.

Section-B

04x04 = 16 Marks

Q.II) Answer the following questions in brief:-

Q.1) Who is an entrepreneur? Write a short note on how to become an entrepreneur.

Q.2) Explain in brief any four characteristics of a successful entrepreneur. Explain in brief.

Q3) What do you understand by Thematic Apperception Test? Explain in brief.

Q.4) What do you understand by self-assessment? What is the full form of SWOT Analysis?

Section-C

04x06 = 24 marks

Q.III) Answer the following questions in detail:-

Q.1) Explain the personal traits of an entrepreneur in brief.

Q.2) What do you mean by a role play? What is the advantage of it?

Q.3) Explain in brief the main myths and the realities associated with Entrepreneurs.

Q.4) Explain the tower building exercise and the learning developed out of it.



A

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- a) Risky
- b) Uncertain Income
- c) **You are the Boss**
- d) Work long hours.

10. Which one is not an advantage of Entrepreneurship?

- a) Can choose a business of interest.
- b) You can be creative
- c) Make lot of money
- d) **You will make decisions alone.**

Section-B

04x04 = 16 Marks

Q.II) Answer the following questions in brief:-

Q.1) Who is an entrepreneur? Write a short note on how to become an entrepreneur.

Ans.) An entrepreneur is an individual who creates a new business, bearing most of the risks and enjoying most of the rewards. The entrepreneur is commonly seen as an innovator, a source of new ideas, goods, services, and business/or procedures.

The steps of how to become an entrepreneur are as follows:

1. Find the right business for you.

Find a business that won't only be successful, but is something that you are passionate about. Entrepreneurship is hard work, so you want to focus your attention on something you care about.

2. Determine if you should get the required education for it:

If you want to start a tech company, experience in business, computer programming and marketing could all be valuable. Also, some industries will likely require some type of education, such as your own accounting or law firm.

3. Plan your business:

A business plan lays out any objectives you have as well as your strategy for achieving those objectives.

4. Find your target group/ audience:

The age, gender, income, race and culture of your target group will play a large role in determining where you open up an enterprise.

5. Do Networking:

Networking is how you meet other people that might have skills you can use in your business. Your network can also support your business once you open, helping send new customers your way.

6. Sell your idea:

Your job as an entrepreneur is to convince people that whatever you're selling is the best option available.

7. Market your Product:

You should be focused on marketing before, during and after you start your business.

Q.2) Explain in brief any four characteristics of a successful entrepreneur. Explain in brief.

Ans.) The characteristics of a successful entrepreneur are as follows:-

A. Risk Taking:

Successful entrepreneurs know that sometimes it's important to take risks. Playing it safe almost never leads to success as a business owner. It's not about taking just any risk, though, but to take calculated risk.

B. Basic Money Management Skills and Knowledge

Successful entrepreneurs know how money works, so that they run their business on sound principles. Basic money management skills and knowledge about the accounts, marketing and other operations make an entrepreneur successful in his/her career.

C. Flexibility

Successful entrepreneurs are flexible and they are willing to change as needed, to a certain degree. This is an essential part of problem solving and they find unique and effective solutions to issues.

D. Passion

Successful entrepreneurs are passionate. They feel deeply about their product or service or mission. Passion is what will help you find motivation when you are discouraged and it will drive you forward. Passion is fuel for successful entrepreneurship.

Q3) What do you understand by Thematic Apperception Test? Explain in brief.

Ans.) The Thematic Apperception Test, also known as TAT, involves showing respondents ambiguous pictures of people and asking them to come up with an explanation for what is happening in the scene.

The purpose of the test is to learn more about the respondents' thoughts, concerns, and motives based on the stories they create to explain the vague and often provocative scenes depicted in the pictures.

Subjects are asked to tell a story explaining what is happening in the picture including the events that led up to the scene, what is happening in the scene, what each of the characters is thinking or feeling, and what happens next.

Q.4) What do you understand by self-assessment? What is the full form of SWOT Analysis?

Ans.) Self-assessment is the process of looking at oneself in order to assess aspects that are important to one's identity. The self-assessment motive will prompt people to seek information to confirm their uncertain self-concept rather than their certain self-concept and at the same time people use self-assessment to enhance their certainty of their own self knowledge. People use self-assessment to enhance their certainty of their own self-knowledge.

The full form of SWOT Analysis is Strength, Weakness, Opportunities and Threats.

Section-C

Q.III) Answer the following questions in detail:-

04x06 = 24 marks

Q.1) Explain the personal traits of an entrepreneur in brief.

Ans.) The personal traits of an entrepreneur are as follows:-

I. Visionary:

Entrepreneurs are visionary. They have a vision in their mind about a product or service and work with the maximum utilization of their resources to achieve the vision that they had established for themselves.

II. Risk-takers:

Entrepreneurs are risk-takers. They undertake calculated risks to achieve the target that they had set for themselves and for their organization, to move from one level to another.

III. Innovative:

Entrepreneurs are innovative in their approach. They find the gap that arise in the market and build a solution in the form of a product or a service that will drive towards fulfilling that gap reaching towards ultimate consumer.

IV. Process-oriented

Running a successful business requires process-oriented thinkers. People who simply rely on instinct and creativity may find it difficult to work together on a regular basis. Entrepreneurs are more of process oriented than being product oriented.

V, Creative:

Entrepreneurs are creative in their approach. They identify the need, initiate and develop the product and services putting in their creativity and visualization and then serve the society by offering the value addition to the products and services that is delivered..

Q.2) What do you mean by a role play? What is the advantage of it?

Ans.) Role-playing is the changing of one's behavior to assume a role, either unconsciously to fill a social role, or consciously to act out an adopted role. Role plays are used to refer to the playing of roles generally such as in a theatre, or educational setting. The advantages are as follows:-

- I. Students immediately apply content in a relevant, real world context.
- II. Students take on a decision making persona that might let them diverge from the confines of their normal self-imposed limitations or boundaries.
- III. Students can transcend and think beyond the confines of the classroom setting.

Q.3) Explain in brief the main myths and the realities of Entrepreneurs.

Ans.) The myths and the realities of Entrepreneurs are as follows:

- I) Entrepreneurs don't have a personal life: Lots of people think that entrepreneurs work 24 hours a day, 365 days a year. While it's true that entrepreneurship can take grueling hours and commitment, it's *not true* that don't have a personal life. They have to practice an efficient time management skills.
- II) Entrepreneurs take lots of risks: This is a myth that they take lot of risk and put everything at stake. They take a calculated risk for prospering their enterprise. It's all about balancing the risk and reward.
- III) Entrepreneurs are only motivated by money: Money is definitely a motivator, but it's not as important to entrepreneurs as people assume. Achieving a lifelong dream is the main motivation for entrepreneurs. Financial stability is second on the list. Being financially stable means that you're comfortable and able to make ends meet.

Q.4) Explain the tower building exercise and the learning made out of it.

Ans.) The Purpose is that this exercise gives participants first-hand experience of how management style affects the performance of a team. It shows different styles in action, demonstrating, for example, that what managers intend is not always what comes across. It's an engaging, enlightening exercise that has real impact and generates live, behavioral data you can work with.

Divide your participants into groups, each containing one manager and three team members.

Instructions: As a group, they have to build a tower using the blocks. Sounds easy – until you tell them that team members must be blindfolded and use their non-dominant hand. Managers cannot touch either the blocks or their team members.

The Tower Build Exercise gives participants first hand experience of the impact of management style on the performance of the team. This is a chance for participants to think about what makes a great leader, and it provides rich data upon which to draw important conclusions about leadership behavior and its impact.



**School of Entrepreneurship Skills
Session: 2019-20 (Summer Semester)
B. Voc. 1st Semester,
End-Sem. Examination**

Course Code: SES1103

Course Name: MSME & Family Business

Instruction: Answer all the questions:

Time: 2 Hours

Max. Marks: 50

Section – A

10X01 = 10 Marks

10 objective type questions, each question carries 01 mark.

1. Which of the following is used by entrepreneurs to acquire experience in an international market before making a major commitment?
 - a) Merger
 - b) Minority Interest
 - c) Joint venture
 - d) Majority interest
2. Which of the following is alternatively called corporate venturing?
 - a) Entrepreneurship
 - b) Intrapreneurship
 - c) Act of stating a new venture
 - d) Offering new products by an existing company
3. Individuals influencing an entrepreneur's career choice and style are known as which of the following?
 - a) Moral-support network
 - b) Role model
 - c) Professional support network
 - d) Support system
4. SBA stands for:
 - a) Small business accountants
 - b) Small business administration
 - c) Small business adequacy
 - d) Small business advisors



5. Why should an entrepreneur do a feasibility study for starting a new venture
 - a) To identify possible sources of funds
 - b) To see if there are possible barriers to success
 - c) To estimate the expected sales
 - d) To explore potential customers
6. EDP (Entrepreneurship Development Programs) is required to help:
 - a) Existing entrepreneurs
 - b) First generation entrepreneurs
 - c) Future generations entrepreneurs
 - d) None of the above
7. Family business always interested to handover the change of his business to:
 - a) Indian Administration Officers
 - b) Professional Managers
 - c) Next generation
 - d) None of the above
8. Venture capital is concerned with:
 - a) New project having potential for higher profit
 - b) New project of high technology
 - c) New project having high risk
 - d) All the above
9. A women entrepreneur is supposed to have a minimum financial interest in share capital of entrepreneur's enterprise:
 - a) 35 per cent
 - b) 51 per cent
 - c) 25 per cent
 - d) None of the above
10. Which one of the following is the next stage to the Concept Stage of Product Planning and Development Process?
 - a) Idea Stage
 - b) Product Planning Stage
 - c) Product Development Stage
 - d) Test Marketing Stage



Section – B

04X04 = 16 Marks

04 Short answer type questions, each question carries 04 marks.

1. What do you understand by family business? Give an overview on family business.
2. Discuss the human capital which play an important role in family business.
3. What are the various stages of development of family business?
4. Define and elaborate the term "Succession Planning"

Section – C

04X06 = 24 Marks

04 Long type questions, each question carries 06 marks.

1. Discuss in detail the role and importance of MSME's in Indian economy.
2. What is MSMED Act, 2006? Discuss in detail the key provisions of MSMED Act?
3. Throw light on Institutional framework and MSME financing Institutions.
4. The performance of family business can be improved by adopting certain measures. Discuss in detail.



Objective type answers:

1. b
2. b
3. b
4. b
5. b
6. b
7. c
8. a
9. c
10. c

Short Answers:

1. Family business is the oldest and most common model of economic organization. The vast majority of businesses throughout the world—from corner shops to multinational publicly listed organizations with hundreds of thousands of employees—can be considered family businesses. Based on research of the Forbes 400 richest Americans, 44% of the Forbes 400 member fortunes were derived by being a member of or in association with a family business.

The economic prevalence and importance of this kind of business are often underestimated. Throughout most of the 20th century, academics and economists were intrigued by a newer, "improved" model: large publicly traded companies run in an apparently rational, bureaucratic manner by well trained "organization men." Entrepreneurial and family firms, with their specific management models and complicated psychological processes, often fell short by comparison.

Privately owned or family-controlled enterprises are not always easy to study. In many cases, they are not subject to financial reporting requirements, and little information is made public about financial performance. Ownership may be distributed through trusts or holding companies, and family members themselves may not be fully informed about the ownership structure of their enterprise. However, as the 21st-century global economic model replaces the old industrial model, government policy makers, economists, and academics turn to entrepreneurial and family enterprises as a prime source of wealth creation and employment.

In some countries, many of the largest publicly listed firms are family-owned. A firm is said to be family-owned if a person is the controlling shareholder; that is, a person (rather than a state, corporation, management trust, or mutual fund) can garner enough shares to assure at least 20% of the voting rights and the highest percentage of voting rights in comparison to other shareholders.

Some of the world's largest family-run businesses are Walmart (United States), Samsung Group (Korea) and Tata Group (India).

The "Global Family Business Index" comprises the largest 500 family firms around the globe. In this index—published for a first time in 2015 by Center for Family Business University of St. Gallen and EY—for a privately held firm, a firm is classified as a family firm in case a family controls more than 50% of the voting rights. For a publicly listed firm, a firm is classified as a family firm in case the family holds at least 32% of the voting rights.

Family owned businesses account for over 30% of companies with sales over \$1 billion.



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In a family business, two or more members within the management team are drawn from the owning family. Family businesses can have owners who are not family members. Family businesses may also be managed by individuals who are not members of the family. However, family members are often involved in the operations of their family business in some capacity and, in smaller companies, usually one or more family members are the senior officers and managers. In India, many businesses that are now public companies were once family businesses.

Family participation as managers and/or owners of a business can strengthen the company because family members are often loyal and dedicated to the family enterprise. However, family participation as managers and/or owners of a business can present unique problems because the dynamics of the family system and the dynamics of the business systems are often not in balance. The interests of a family member may not be aligned with the interest of the business. For example, if a family member wants to be president but is not as competent as a non-family member, the personal interest of the family member and the well being of the business may be in conflict.

The interests of the entire family may not be balanced with the interests of their business. For example, if a family needs its business to distribute funds for living expenses and retirement but the business requires those to stay competitive, the interests of the entire family and the business are not aligned. Finally, the interest of one family member may not be aligned with another family member.

For example, a family member who is an owner may want to sell the business to maximize their return, but a family member who is an owner and also a manager may want to keep the company because it represents their career and they want their children to have the opportunity to work in the company.

The three circles model

The challenge for business families is that family, ownership and business roles involve different and sometimes conflicting values, goals, and actions. For example, family members put a high priority on emotional capital—the family success that unites them through consecutive generations. Executives in the business are concerned about strategy and social capital—the reputation of their firm in the marketplace. Owners are interested in financial capital—performance in terms of wealth creation.

A three-circles model is often used to show the three principal roles in a family-owned or -controlled organization: Family, Ownership and Management. This model shows how the roles may overlap.

Everyone in the family (in all generations) obviously belongs to the Family circle, but some family members will never own shares in the family business, or ever work there. A family member is concerned with social capital (reputation within the community), dividends, and family unity. The Ownership circle may include family members, investors and/or employee-owners. An owner is concerned with financial capital (business performance and dividends). The Management circle typically includes non-family members who are employed by the family business. Family members may also be employees. An employee is concerned with social capital (reputation), emotional capital (career opportunities, bonuses and fair performance measures).

A few people—for example, the founder or a senior family member—may hold all three roles: family member, owner and employee. These individuals are intensely connected to the family business, and concerned with any or all of the above sources of value creation.



2. Human capital, broadly defined as knowledge, abilities and skills that reside within a company and / or a business family, is one of the key success factors in long-living family firms. However, the family firm context offers specific challenges but also opportunities when it comes to creating unique human capital and a resulting long-term competitive advantage. Prof. Philipp Sieger, Professor at the Center for Family Business at the University of St.Gallen (CFB-HSG), Switzerland, discusses the particularities to consider when analyzing human capital in family businesses. While there are numerous different aspects of human capital in the family firm context, two main aspects will be considered in the following. Firstly, human capital provided by the business family itself is a decisive factor to be discussed. Secondly, the human capital from outside the family is crucial for long-term success as well. Both perspectives hold unique challenges and opportunities. To start with, the presence and long-term involvement of a controlling family in family firms can have both positive and negative effects on human capital. Across time, business families can develop unique industry-specific knowledge that can be transferred from one generation to the next. Even more importantly, research shows that business families also develop unique entrepreneurial knowledge, meaning knowledge and skills how to found and run a business in the long-term. This knowledge may also be transferred to members of the next generation. This leads to a more comprehensive perspective on succession: effective succession, thus, does not only include the transfer of assets, but also the transfer of a unique entrepreneurial mindset and related capabilities. The main challenge here is for business families to become aware of their own relevance in terms of human capital. As a consequence, an explicit and systematic enhancement of family-internal human capital is needed. In addition, business families should always be concerned that only family members that are both highly committed and highly qualified can join the family firm. Hence, clear guidelines and policies should be formulated regarding when, how, and under what conditions family members can get involved in the business. Important aspects are the level of required education, experience gained outside the parents' firm, entry positions, possible career paths within the firm, and continuous performance assessment. Taking family members on board that are not sufficiently qualified may erode the family's human capital base over time.

Referring to the second main aspect of human capital in family firms, it is obvious that the firm grows significantly quicker than the owning family itself. The business family cannot provide a sufficient number of highly qualified family members to fill all positions in a growing company; as a consequence, hiring family-external employees becomes necessary.

On the positive side, the family firm context can provide a unique setting to foster non-family employees' knowledge, skills and abilities. Family firms are often characterized by very strong cultures, where non-family members may even feel part of the family. In addition, family firms' long-term orientation and the absence of hire-and-fire policies in the majority of cases contribute to a setting where human capital can develop systematically in the long-term.

3. The stages to entrepreneurial (family business) success are:

i) **Tinkering.** . Most entrepreneurs started their businesses in their 30s because they were good technicians. A gifted project manager or a top salesman or a terrific electrician rationalizes, "Why should I be working hard and making money for this other guy? Why don't I do this on my own and just keep the money for myself?" They confuse their technical prowess with having the skills and talents necessary to run an entire business with all its moving parts. Through dogged perseverance, hard work, and constant tinkering, many figure it out and manage to survive.



ii) **The Blade Years.** Martin writes, "This is a bumpy time of highs and lows, during which many founders lose heart, or become overwhelmed." Overwhelmed is certainly a word that can be applied to many, many family business leaders. The blade years can lead to a stable plateau, but the enterprise still has modest sales and borderline profits and is very vulnerable. The transforming idea or strategic partner or new customer opportunity which accelerates growth has yet to manifest itself. The blade years are a grind, and survival is the mantra.

iii) **The Growth – Inflection Point.** This is the place where the company leaps off the plateau which may have lasted a few years or a quarter century. For example, it took Walmart founder Sam Walton about 12 years before he opened his second store. Most of us will never experience the explosive growth Walton created, but the growth – inflection point can nonetheless be a wild and exhilarating ride. This is the point at which you might say a family owned business has "made it;" it's no longer struggling along day-to-day with scratchy profits. Sales, profits, and complexity increase rapidly during this stage.

iv) **Surging Growth.** If an entrepreneur manages the growth – inflection stage well, he'll progress into the surging growth stage. This is the point where entrepreneurs come to many crossroads and have plenty of decisions to make. Founders must "grapple with the difficult transition from scrappy entrepreneur to corporate manager. He or she has three main choices: remaining CEO by learning how to further professionalize the business; hiring a CEO to manage the business, most often either than taking on another role such as heading up research and development or becoming chairman of the board; or selling the company. Many founders stumble when making the transition to corporate chief and fail to recognize that they must master the requirements..." This transitional period is a critical one for a family business and presents stakeholders with an emotional roller coaster ride as critical decisions are made – for better or for worse

4. Succession Planning is the process of identifying and tracking high-potential employees who will be able to fill top management positions when they become vacant.

Succession planning is an ongoing process that identifies necessary competencies, then works to assess, develop, and retain a talent pool of employees, in order to ensure a continuity of leadership for all critical positions. Succession planning is a specific strategy, which spells out the particular steps to be followed to achieve the mission, goals, and initiatives identified in workforce planning. It is a plan that managers can follow, implement, and customize to meet the needs of their organisation, division, and/or department.

Succession planning establishes a process to recruit employees, develop their skills, and prepare them for advancement, all while retaining them to ensure a return on the organization's training investment. Succession planning involves understanding the organization's long-term goals and objectives, identifying employee development needs, and determining trends.

The continued existence of an organization over time require a succession of persons to fill key position. The purpose of succession planning is to identify and develop people to replace current incumbents in key position for a variety of reasons. Some of these reasons are given below:

Promotion: Employees moving upward in the hierarchy of the organization

Superannuation: Employees retiring because they reach a certain age

Resignation: Employees leaving their current job to join a new job.

Diversification: Employees being redeployed to new activities.

Creation of New Position: Employees getting placed in new positions at the same level.



Succession can be from within or from outside the organization. Succession by people from within gives a shared feeling among employee that they can grow as the organization grows. Therefore organization needs to encourage the growth and development with its employee. They should look inward to identify potential and make effort to groom people to higher and varied responsibilities. In some professionally run large organizations, managers and supervisor in every department are usually asked to identify three or four best candidate to replace them in their jobs should the need arise. However, the organization may find it necessary to search for talent from outside in certain circumstance. For example, when qualified and competent people are not available internally, when it is planning to launch a major expansion or diversification programs requiring new ideas etc.. Complete dependence on internal source may cause stagnation for the organization. Similarly complete dependence on outside talent may cause stagnation in the career prospects of the individual within the organization which may in turn generate a sense of frustration.

Succession planning provides managers and supervisors a step-by-step methodology to utilize after workforce planning initiatives have identified the critical required job needs in their organization. Succession planning is pro-active and future focused, and enables managers and supervisors to assess, evaluate, and develop a talent pool of individuals who are willing and able to fill positions when needed. It is a tool to meet the necessary staffing needs of an organization/department, taking not only quantity of available candidates into consideration, but also focusing on the quality of the candidates, through addressing competencies and skill gaps.

Long Answers:

1. MSMEs are instruments of inclusive growth which touch upon the lives of the most vulnerable and marginalized. For many families, it is the only source of livelihood. Thus, instead of taking a welfare approach, this sector seeks to empower people to break the cycle of poverty and deprivation. It focuses on people's skills and agency. However, different segments of the MSME sector are dominated by different social groups. The further importance of MSME in India has been described below:

i) **It creates large-scale employment:** Enterprises that are inclusive in this sector require low capital to start up new business. Moreover, it creates a vast opportunity for the unemployed people to avail. India produces about 1.2 million graduates per year out of which the total number of engineers are around 0.8 million. There is no economy so far that could provide that large number of freshers in one year only. MSME is the boon for the fresh talent in India.

ii) **Economic stability in terms of Growth and leverage Exports:** It is the most significant driver in India contributing to the tune of 8% to GDP. Considering the contribution of MSME to manufacturing, exports, and employment, other sectors are also benefitting from it. Nowadays, MNCs are buying semi-finished, and auxiliary products from small enterprises, for example, buying of clutches and brakes by automobile companies. It is helpful in creating a linkage between MSME and big companies even after the implementation of the GST 40% MSME sector also applied GST Registration that plays an important role to increase the government revenue by 11%.

iii) **Encourages Inclusive Growth:** The inclusive growth is at the top of the agenda of Ministry for Medium, and small and Medium-sized enterprises for several years. On the other hand, poverty and deprivation are a deterrent to the development of India. Besides, it includes marginalized sections of a society which is a key challenge lying before the Ministry of MSME.

iv) **Cheap Labor and minimum overhead:** While in the large-scale organizations, one of the main challenge is to retain the human resource through an effective human resource



management professional manager. But, when it comes to MSME, the requirement of labor is less and it does not need a highly skilled laborer. Therefore, the indirect expenses incurred by the owner is also low.

v) **Simple Management Structure for Enterprises:** MSME can start with limited resources within the control of the owner. From this decision making gets easy and efficient. On the contrary, a large corporation requires a specialist for every departmental functioning as it has a complex organizational structure. Whereas a small enterprise does not need to hire an external specialist for its management. The owner can manage himself. Hence, it could run single-handedly.

The main role in the mission of "Make in India": The signature initiative by the Prime Minister of India "Make in India" has been made easy with MSME. It is taken as a backbone in making this dream a possibility. In addition, the government has directed the financial institution to lend more credit to enterprises in the MSME sector.

2. The Micro, Small and Medium Enterprises (MSME) sector has emerged as a highly vibrant and dynamic sector of the Indian economy over the last five decades. It contributes significantly in the economic and social development of the country by fostering entrepreneurship and generating largest employment opportunities at comparatively lower capital cost, next only to agriculture. MSMEs are complementary to large industries as ancillary units and this sector contributes significantly in the inclusive industrial development of the country. The MSMEs are widening their domain across sectors of the economy, producing a diverse range of products and services to meet demands of domestic as well as global markets.

The mandate of the Ministry of MSME On 9 May 2007, the erstwhile Ministry of Small Scale Industries and the Ministry of Agro and Rural Industries were merged to form the Ministry of Micro, Small and Medium Enterprises (M/o MSME). The Ministry designs policies promotes/ facilitates programs/ projects/ schemes and monitors their implementation, with a view to assisting MSMEs and helping them to scale up. The Micro, Small and Medium Enterprises Development (MSMED) Act was notified in 2006 to address different issues affecting MSMEs inter-alia the coverage and investment ceiling of the sector. The MSMED Act seeks to facilitate the development of these enterprises as also enhance their competitiveness.

The MSMED Act has the following key provisions:

Establishment of a National Board for MSMEs headed by the Minister for MSME. The role of the Board is to examine the factors affecting the promotion and development of MSMEs, review the policies and programs of the Central Government and make recommendations in regard to facilitating the promotion and development and enhancing their competitiveness.

It provides the first-ever legal framework for recognition of the concept of "enterprise" which comprises both manufacturing and service entities. It defines medium enterprises for the first time and seeks to integrate the three tiers of these enterprises, namely, micro, small and medium.

It empowers the Central Government to undertake programmes and issue guidelines and instructions to develop and enhance the competitiveness of MSMEs. MSMEs are the power engines of the economy.

Micro, Small and Medium Enterprise (MSMEs) constitute over 90 percent of total enterprises in most of the economies and are credited with generating highest rate of employment growth and also account for a major share of industrial production and exports. This study aims to investigate the major challenges faced by MSMEs today. It also suggests policy recommendations that would help in overcoming those challenges. The government needs to hand-hold the MSME units in order to promote growth in the manufacturing sector. The state of infrastructure is not satisfactory and calls for more investment from the government. Banks are not so willing to provide loans to these units which challenge the prospects of growth in these units. Delayed payments are a big problem which needs tighter rules on the buyer-side in order to safeguard the interests of the manufacturers. Although the current government in power a long way to go when it comes to policy implementations. The need of has been taking an active interest in the manufacturing sector, there is still the hour is to protect these units and take measures which will support them and would help them flourish.



Promising alone is not sufficient; making it happen is the key. Small and Medium Enterprises (SMEs) are crucial for the economic growth and stability of any country and play a vital role especially for developing countries as they facilitate economic activity and provide employment thus contributing to poverty reduction. In the Indian context they can be considered as the backbone of national economy. Good corporate governance leads to development of a framework that provides adequate protection to the interests of stakeholders and reinforces the fiduciary responsibilities of those vested with the authority to act on behalf of the stakeholders.

3. The contribution of Micro, Small and Medium Enterprises (MSMEs) to Gross Domestic Product (GDP), job creation, and balanced economic development is well-established. There are more than 55 million MSME enterprises in India, contributing to around one-third of India's GDP and almost 43% of our exports. However, the lack of adequate, timely, and affordable access to credit has remained the biggest challenge for these enterprises to grow. It is estimated that around 40% to 65% of MSMEs in emerging markets are either underfunded or not funded in the first place, by the formal financial sector. There have been various efforts and policy measures across developing economies and emerging markets, particularly focused on establishing robust financial infrastructure, and innovative financing mechanisms for MSMEs. Credit Guarantee Scheme (CGS) is one such policy intervention for addressing these market imperfections.

Globally, these schemes have played an invaluable role in promoting financing and development for MSMEs. The Korea Credit Guarantee Fund (KODIT), a public financial institution established in June 1976, is one of the largest credit guarantee agencies in the world, with outstanding guarantees of over USD 41 billion – this dovetails well with the growth of MSMEs in Korea, wherein they account for 99% of all enterprises and almost 48% of total national production. The credit guarantee corporation of Malaysia, established in 1972, has also supported the Malaysian economy and MSMEs over the years, with credit guarantees of over USD 15 billion. There have been other prominent examples from Thailand and Indonesia as well, using CGS as an enabling policy tool for easing the financial constraints of MSMEs.

In the Indian context, the Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) was established in July 2000, jointly by the Ministry of MSME, Government of India and Small Industries Development Bank of India (SIDBI).

In the last 18 years of its existence, CGTMSE has established itself as an important institution in facilitating the flow of credit to MSMEs. Over these years, CGTMSE has been instrumental in providing guarantee cover worth INR 1.76 lakh crores, covering 35 lakh guarantees, extended by its Member Lending Institutions. The Trust crossed a significant milestone in FY 2019 by enabling 4.35 lakh guarantees with an aggregate loan amount of ~INR 30,000 crores.

CGTMSE has undergone transformative reforms since 2017 to expand the scope of its schemes to previously uncovered segments like partial collateralized loans and retail trade, and amongst uncovered lenders like NBFCs and small finance banks – this has further created a positive multiplier effect by encouraging banks and non-bank institutions to focus on multiple MSME lending avenues.

Furthermore, a slew of favorable government programs announced in recent years has fostered a more favorable business environment for FinTech models to emerge in the MSME lending space in India. FinTech companies are offering solutions that can substantially improve efficiencies at every step of the lending process.

SIDBI and CGTMSE acknowledge the pivotal role technology can play in further democratizing the credit access. We are encouraged to see that a number of Indian FinTech companies are focused on the MSME sector, and are providing small-ticket loans to entities with limited credit history, through data-driven scoring models and credit assessment. Considering the emerging role being played by new-age FinTech players in the MSME ecosystem, CGTMSE has recently included such FinTech NBFCs, engaged in financing Micro and Small Enterprises (MSEs), in its scheme as well.



4. The important measures to be adopted for the success in a family business are:

- i) **Set some boundaries.** It's easy for family members involved in a business to talk shop 24/7. But mixing business, personal and home life will eventually produce a volatile brew. Limit business discussions outside of the office. That's not always possible, but at least save them for an appropriate time — not at a family wedding or funeral, for example.
- ii) **Establish clear and regular methods of communication.** Problems and differences of opinion are inevitable. Maybe you see them already. Consider weekly meetings to assess progress, air any differences and resolve disputes.
- iii) **Divide roles and responsibilities.** While various family members may be qualified for similar tasks, duties should be divvied up to avoid conflicts. Big decisions can be made together, but a debate over each little move will bog the family business down.
- iv) **Treat it like a business.** A common pitfall in a family business is placing too much emphasis on "family" and not enough on "business." The characteristics of a healthy business may not always be compatible with family harmony, so be ready to face those situations when they arise.
- v) **Recognize the advantages of family ownership.** Family-owned businesses offer unique benefits. One is access to human capital in the form of other family members. This can be a key to survival, as family members can provide low-cost or no-cost labor, or emergency loans. Firms run by trusted family members can also avoid special accounting systems, policy manuals and legal documents.
- vi) **Treat family members fairly.** While some experts advise against hiring family members at all, that sacrifices one of the great benefits of a family business. Countless small companies would never have survived without the hard work and energy of dedicated family members. Qualified family members can be a great asset to your business. But avoid favoritism. Pay scales, promotions, work schedules, criticism and praise should be evenhanded between family and non-family employees. Don't set standards higher or lower for family members than for others.
- vii) **Put business relationships in writing.** It's easy for family members to be drawn into a business startup without a plan for what they will get out of the business relationship. To avoid hard feelings or miscommunication, put something in writing that defines compensation, ownership shares, duties and other matters.
- viii) **Don't provide "sympathy" jobs for family members.** Avoid becoming the employer of last resort for your kids, cousins or other family members. Employment should be based on what skills or knowledge they can bring to the business.
- ix) **Draw clear management lines.** Family members who often have a present or presumed future ownership stake in the business have a tendency to reprimand employees who don't report to them. This leads to resentment by employees.
- x) **Seek outside advice.** The decision-making process for growing a family business can sometimes be too closed. Fresh ideas and creative thinking can get lost in the tangled web of family relationships. Seeking guidance from outside advisors who are not affiliated with any family members can be a good way to give the business a reality check.
- xi) **Develop a succession plan.** A family business without a formal succession plan is asking for trouble. The plan should spell out the details of how and when the torch will be passed to a younger generation. It needs to be a financially sound plan for the business, as well as retiring family members. Outside professional advice to draw up a plan is essential.
- xii) **Require outside experience first.** If your children will be joining the business, make sure they get at least three to five years business experience elsewhere first. Preferably in an unrelated industry. This will give them valuable perspective on how the business world works outside of a family setting.



**School of Entrepreneurship Skills
Session: 2019-20 (Summer / Winter Semester)
B. Voc. Program, I ,III &V Semester,
End-Sem. Examination**

Course Code: SES1106

Time: 2 Hours

Course Name: Fundamentals of Psychology

Max. Marks: 50

Instruction: Answer all the Questions.

Section – A

10X01 = 10 Marks

10 objective type questions, each question carries 01 mark.

1. Which one of the following statements about behaviour and emotion do we know to be FALSE?
 - a) Emotion has behavioural aspects.
 - b) An angry conversation takes a different course from a calm conversation.
 - c) You can see emotional behaviour in the facial expressions of other people.
 - d) Emotion fails to prepare us for action.
2. Read the following scenario: Your face is red during an angry conversation with your mother in which she criticized your new partner. Which of the following aspects of emotion are involved in this scenario?
 - a) Arousal, feeling, social, cognitive and behavioural
 - b) Arousal, feeling and social
 - c) Feeling, social, behavioural and value
 - d) Feeling
3. The facial feedback hypothesis suggests which of the following possibilities?
 - a) We smile because we are happy
 - b) We become sad because we smile
 - c) We become happy because we smile
 - d) We smile because we are sad
4. The five fundamental emotions include:
 - a) Anger, rage, happiness, joy and sympathy
 - b) Embarrassment, pride, shyness, shame and guilt
 - c) Joy, happiness, anger, anxiety, fear
 - d) Anger, anxiety, disgust, happiness and sadness



5. If a person has the ability to interpret emotions, express emotions, use emotional information, deal with other's emotions and regulate their emotions, then this person would be expected to have:
 - a) High social intelligence
 - b) High emotional intelligence
 - c) Low social intelligence
 - d) Low emotional intelligence
6. Rohan is self-disciplined, focused on achievement and keen to do his duty. He would be expected to score highly on:
 - a) neuroticism
 - b) agreeableness
 - c) extraversion
 - d) conscientiousness
7. _____ are the basic biological units that transmit characteristics from one generation to the next:
 - a) genes
 - b) neurons
 - c) glia
 - d) instincts
8. Lana is friendly, always willing to help others and compassionate. We would expect Lana to score highly on:
 - a) extraversion
 - b) agreeableness
 - c) neuroticism
 - d) openness to experience
9. Which of the following is a secondary motive?
 - a) curiosity
 - b) desire for money
 - c) physical contact
 - d) thirst
10. Psychology is the study of:
 - a) Mind
 - b) Behavior
 - c) Perception
 - d) Sensation



Section – B

04X04 = 16 Marks

04 short answer type questions, each question carries 04 marks.

1. Define Motivation and discuss its meaning in brief.
2. Discuss the types of motivation with examples.
3. How the employee motivation can be improved?
4. Discuss the significance of motivation.

Section – C

04X06 = 24 Marks

04 long type questions, each question carries 06 marks.

1. Define Personality and discuss in detail its concept and meaning.
2. What are the determinants of personality?
3. Discuss the tips for improving and enhancing the personality.
4. What are the types of personality?



Answer Key

1. D
2. A
3. C
4. D
5. B
6. D
7. A
8. B
9. B
10. A

Short Answers:

1. Meaning:

Motivation is an important factor which encourages persons to give their best performance and help in reaching enterprise goals. A strong positive motivation will enable the increased output of employees but a negative motivation will reduce their performance. A key element in personnel management is motivation.

According to Likert, "It is the core of management which shows that every human being gives him a sense of worth in face-to face groups which are most important to him....A supervisor should strive to treat individuals with dignity and a recognition of their personal worth."

Some definitions are discussed as follows:

Berelson and Steiner:

"A motive is an inner state that energizes, activates, or moves and directs or channels behaviour goals."

Lillis:

"It is the stimulation of any emotion or desire operating upon one's will and promoting or driving it to action."

Dubin:

"Motivation is the complex of forces starting and keeping a person at work in an organization."

Vance:

"Motivation implies any emotion or desire which so conditions one's will that the individual is properly led into action."

Motivation is a psychological phenomena which generates within an individual. A person feels the lack of certain needs, to satisfy which he feels working more. The need satisfying ego motivates a person to do better than he normally does.

From definitions given earlier the following inferences can be derived:

- i. Motivation is an inner feeling which energizes a person to work more.
- ii. The emotions or desires of a person prompt him for doing a particular work.
- iii. There are unsatisfied needs of a person which disturb his equilibrium.
- iv. A person moves to fulfill his unsatisfied needs by conditioning his energies.
- v. There are dormant energies in a person which are activated by channelizing them into actions.

Motivation is the word derived from the word 'motive' which means needs, desires, wants or drives within the individuals. It is the process of stimulating people to actions to accomplish the goals. In the work goal context the psychological factors stimulating the people's behaviour can be -

- desire for money



- SUCCESS
- recognition
- job-satisfaction
- team work, etc

One of the most important functions of management is to create willingness amongst the employees to perform in the best of their abilities. Therefore the role of a leader is to arouse interest in performance of employees in their jobs. The process of motivation consists of three stages:-

- i) A felt need or drive
- ii) A stimulus in which needs have to be aroused
- iii) When needs are satisfied, the satisfaction or accomplishment of goals.

Therefore, we can say that motivation is a psychological phenomenon which means needs and wants of the individuals have to be tackled by framing an incentive plan.

2. Main Types of Motivation

While there are many things that motivate people, you can break down motivation into two broad types – intrinsic motivation and extrinsic motivation. Intrinsic motivation represents all the internal motivational drivers like self-actualization or helping a friend in need. Extrinsic motivation represents all the external motivational drivers like doing something for a raise or reward.

INTRINSIC MOTIVATION

Intrinsic motivation represents all the things that motivate you based on internal rewards. For example, you may be motivated to get a promotion because of self-improvement or the joy of learning. Conversely, you might be motivated to succeed because you want to positively affect the lives of the people around you.

However, intrinsic motivation can also have negative motivational drivers. For example, you can motivate yourself to learn new things because otherwise you'll feel unfulfilled. The outcome of your actions is positive, but the specific type of motivation you used was focused on stopping a negative outcome rather than creating a positive outcome. For this reason and more, there are often many different types of intrinsic motivation, which focus on a specific motivational reward or driver.

EXTRINSIC MOTIVATION

Extrinsic motivation represents all the things that motivate you based on external rewards. These types of motivation are more common than intrinsic motivators and include achieving things due to a specific incentive, fear, or expectation, all of which depend on external factors. For example, people want to get a promotion because of the expected raise.

Like intrinsic motivation, extrinsic motivation can sometimes be negative. For example, you can be motivated externally to perform better at your job with the fear of being fired. This shows that extrinsic motivation, like, intrinsic motivation, has many different motivational types that explain a specific external motivational driver and how effective it is at motivating yourself as well as others.



Types of Intrinsic Motivation

Here are the specific types of intrinsic motivation and the rewards they use to motivate:

i) **COMPETENCE & LEARNING MOTIVATION**

Competence motivation, also known as learning motivation, is similar to achievement motivation in that people are motivated by the process itself rather than by the reward at the end. However, the difference is that people who are motivated by competence motivation are literally motivated by the act of learning as they move towards the completion of a goal or task.

For example, if you want a promotion, not because of the higher salary but because you'll learn new valuable skills, you're motivated by competence or learning motivation. This is an extremely valuable motivator and should be used in almost any motivational strategy. This is because new, relevant skills are often more valuable than even money because, unlike material *things*, they're assets that no one can take away from you.

ii) **ATTITUDE MOTIVATION**

Attitude motivation refers to the type of motivation that is cultivated through the desire to change the way people think or feel. While it has similarities to affiliation or social motivation (and can be argued is a type of social motivation itself), people who are motivated by attitude engage in actions and interactions with the express intent of making themselves and the people around them feel better in a positive and uplifting way.

For example, if you're motivated to work for a non-profit or volunteer in a soup kitchen because making people feel good makes you feel good, you're motivated by a change in attitude. Similarly, if you're a manager at a company and you get joy out of helping your direct reports grow and succeed, you're also taking part in attitude motivation.

iii) **ACHIEVEMENT MOTIVATION**

Achievement motivation states that people are driven by the desire to pursue and achieve specific goals. People who are motivated by this type of motivation are driven by the achievement of a task or goal itself, and not necessarily because of the reward that's attached. For example, an entrepreneur might build a business for the joy of building a world-class organization, and not necessarily because there's money attached.

iv) **AROUSAL THEORY OF MOTIVATION**

The arousal theory of motivation is a psychological theory that says individual people are motivated by a specific and unique level of arousal. In psychology, arousal means mental alertness or attentiveness, and the arousal theory believes that if a person's mental alertness drops below or rises above a certain point, it causes stress, depression, and demotivation.

v) **PHYSIOLOGICAL MOTIVATION**

Often, humans are driven by some internal force beyond their explanation. For example, this is sometimes the case when you pursue someone out of love. Your actions are motivated by deep physiological feelings that are primal and cannot be ignored, regardless of how hard we try. This represents the physiological motivational factors that are both internal as well as outside of our control.

Types of Extrinsic Motivation

Here are the specific types of extrinsic motivation and the rewards they use to motivate:

i) **INCENTIVE MOTIVATION**

Incentive motivation, unlike achievement motivation, says that people are motivated more by the reward than by the achievement of the goal itself. Instead of being motivated by the pursuit of a goal or task itself, those who are motivated by incentives are driven to take action because of an expected (and often specific) reward. For example, if you want a



promotion because of the higher salary and not because you'll feel more fulfilled, you are motivated by incentives rather than by achievement.

ii) **FEAR MOTIVATION**

Fear motivation is a motivational type that uses consequences to drive people into action. Fear motivation can be thought of as a "negative motivator" in that you aren't motivated by a reward but by the avoidance of pain or consequences. Rather than incentivizing yourself or others with positive motivators, fear motivation uses punishment or negative motivators – like getting fired – as a way to keep you productively moving towards specific goals, tasks, or deliverables.

iii) **POWER MOTIVATION**

Power motivation is a motivational factor that says people are motivated by control over our own lives and/or the lives of others. Everyone wants choices, and people are often motivated to increase their overall life-options. For this reason, power motivation manifests itself in the desire to affect the direction of our lives and sometimes the lives of those around us.

iv) **AFFILIATION & SOCIAL MOTIVATION**

Humans are social creatures, and social motivation – also known as affiliation motivation – states that people are motivated by social factors like belonging and acceptance. Humans have an innate desire to connect with others, and social motivation causes us to seek connections by contributing to a social group. Social motivation can be macro and manifest itself in a desire to help the world, or it can be micro and manifest itself in our love for family and friends.

v) **EXPECTANCY THEORY OF MOTIVATION**

The expectancy theory of motivation is a psychological theory that says people are motivated by their expectation of a specific outcome as a result of their actions or effort. This motivational theory is similar to both extrinsic motivation and incentive motivation, except for the fact that it measures the *degree* to which you're motivated by a reward, based on your belief that you'll actually receive it, should you achieve the goal.

vi) **EQUITY THEORY OF MOTIVATION**

The equity theory of motivation is a motivational theory that states people are motivated not by a reward but by their perceived level of fairness. This level of fairness is known as "equity", and people can become motivated or demotivated depending on their specific level of equity. What's interesting is that equity not only means how fair you think people are to you but also how fair you think people are to others.

For example, if you have a co-worker who didn't get a raise you know they deserve, you might become demotivated even though you're adequately paid. Of course, if you don't think you're paid what you deserve, your perceived level of fairness will also be low, resulting in demotivation.

3. Employee motivation is a critical aspect at the workplace which leads to the performance of the department and even the company. Motivating your employees needs to be a regular routine.

Importance of Employee Motivation

There are several reasons why employee motivation is important. Mainly because it allows management to meet the company's goals. Without a motivated workplace, companies could be placed in a very risky position.

Motivated employees can lead to increased productivity and allow an organisation to achieve higher levels of output. Imagine having an employee who is not motivated at work. They will



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probably use the time at their desk surfing the internet for personal pleasure or even looking for another job. This is a waste of your time and resources.

Note that this is based on one employee. Try picturing the majority of your employees doing the same thing. This is not a position anybody wants to be in.

How to Increase Employee Motivation

Here are three immediate actionable tips to increase employee motivation in your workplace.

Improve communication

The easiest way to increase employee motivation is by having positive communication at the workplace. Not relying only on emails but by making sure they talk to their employees in person and even on a personal level, if possible.

Try setting aside some time each day to talk with employees or you can join them during coffee breaks instead of sitting at your desk. By doing so, you actually make employees feel as though you are part of the team; a leader instead of just the boss. Experts agree that team communication is super valuable.

Employees also want to see the company that they are working for succeed. Many have excellent ideas, ranging from money saving to operational improvements. Management must make an effort to take some time to ask and listen to suggestions. Nothing is more worthwhile than feeling valued.

Value individual contributions

Management should ensure their employees on how their individual efforts and contribution plays an important part of the company's overall goals and direction. Employees will take pride and be engaged in their work if they are aware how their efforts create an impact the organisation; regardless of how big or small their contributions are.

Management does not have to reward their employees with gifts every single time they did a good job at a task. At times, a simple "Thank You" or "Great job" will suffice. These meaningful words acknowledge effort, build loyalty and encourage people to work even harder.

4. Motivation is an inspiration that helps to use the employees' knowledge and skill for the growth and development of the organization. It is an act of persuading the people who work in the organization. It is defines as the psychological process that hell to increase the will to do work. It is the process of inspiring people from which the people can use their ability. It is an important function of management. The employees who are engaged in the organization must be motivated. Without motivation, their ability and skill can't be used properly. Every employee has the capacity to do work. It is the process that helps the employee to explore their talent.

"The concept of motivation is mainly psychological. It relates to those factors or forces operating with the individual employee or subordinate which impel him to act or not to act in certain ways."

–Delton e. McFarland



Importance of motivation

- 1. Proper utilization of production factor:** Motivation is the mechanism which is used to stimulate the employees. Stimulated employees are ready to use the production factor properly and efficiently. So it results in increase in production and productivity.
- 2. Willingness and interest creation:** Motivation stimulates the employees in an organization. It influences the willingness of employees to work hard and help to present better performance. It is a process that acts according to desire of employees and increases the willingness and interest of employees to do work.
- 3. High productivity:** When the employees are fully motivated there is better performance. It results high production and productivity increment.
- 4. Organizational goals:** The machine, equipment, money cannot be effectively used when the employees are not motivated to do the work in an organization to the maximum extent. so it helps to achieve the organizational goals.
- 5. Readiness for change:** Changes are required in every organization. Such changes may be in technology, environment etc. when the changes are introduced in the organization there is tendency to resist them by the employee or hesitate to accept the change. Motivated employees are already made ready to accept the change.
- 6. Efficiency in work:** Motivated employees perform their duties according to the goals of the organization. They perform work efficiently and timely and increase the efficiency
- 7. Reduce absenteeism:** – Motivated employees don't want to be absent frequently. In other words, Motivated employees stay in the organization more and non Motivated employees are careless for the organizational goals.
- 8. Employees' satisfaction:** employee's satisfaction is an important aspect for the managerial point of view. Employees may be motivated by fulfilling their needs and giving satisfaction in their work. In short Motivated employees are always satisfied.
- 9. Fewer disputes and strikes:** disputes and strikes are harmful for organizational activities. When the employees are not motivates they are dissatisfies which creates disputes in the organization.
- 10. Better human relation:** all employees must be treated as human beings by the organization. Motivation I mainly related to behave the human beings.

LONG ANSWERS:

1. The Meaning of Personality:

The term 'personality' is derived from the Latin word 'persona' which means a mask. According to K. Young, "Personality is a patterned body of habits, traits, attitudes and ideas of an individual, as these are organised externally into roles and statuses, and as they relate internally to motivation, goals, and various aspects of selfhood." G. W. Allport defined it as "a person's pattern of habits, attitudes, and traits which determine his adjustment to his environment."

According to Robert E. Park and Earnest W. Burgess, personality is "the sum and organisation of those traits which determine the role of the individual in the group." Herbert A. Bloch defined it as "the characteristic organisation of the individual's habits, attitudes, values, emotional characteristics..... which imparts consistency to the behaviour of the individual." According to Arnold W. Green, "personality is the sum of a person's values (the objects of his striving, such as ideas, prestige, power and sex) plus his non- physical traits (his habitual ways of acting and reacting)." According to Linton, personality embraces the



total "organised aggregate of psychological processes and status pertaining to the individual."

Personality, as we understand it, says MacIver, "is all that an individual is and has experienced so far as this "all" can be comprehended as unity." According to Lundberg and others, "The term personality refers to the habits, attitudes, and other social traits that are characteristic of a given individual's behaviour." By personality Ogburn means "the integration of the socio psychological behaviour of the human being, represented by habits of action and feeling, attitudes and opinions." Davis regards personality "a psychic phenomenon which is neither organic nor social but an emergent from a combination of the two."

According to Anderson and Parker, "Personality is the totality of habits, attitudes, and traits that result from socialization and characterizes us in our relationships with others." According to N.L. Munn, "Personality may be defined as the most characteristic integration of an individual's structure modes of behaviour, interests, attitudes, capacities, abilities and aptitudes." According to Morton Prince, "Personality is the sum total of all the biological innate dispositions, impulses tendencies and instincts of the individual, and the acquired disposition and tendencies acquired by experience." According to Young, "Personality is the totality of behaviour of an individual with a given tendency system interacting with a sequence of situations."

Lawrence A. Pewin has given a working definition of personality in these words, "Personality represents those structural and dynamic properties of an individual or individuals as they reflect themselves in characteristic responses to situations."

On the basis of these definitions it may be said there are two main approaches to the study of personality:

(1) The psychological, and (2) The sociological.

Although there is also a third approach, the biological approach, but the biological definition of personality which comprehends only the bio-physical characteristics of the individual organism is inadequate. The psychological approach considers personality as a certain style peculiar to the individual. This style is determined by the characteristic organisation of mental trends, complexes, emotions and sentiments.

The psychological approach enables us to understand the phenomena of personality disorganisation and the role of wishes, of mental conflict, and of repression and sublimation in the growth of personality. The sociological approach considers personality in terms of the status of the individual in the group, in terms of his own conception of his role in the group of which he is a member. What others think of us plays a large part in the formation of our personality.

Thus personality is the sum of the ideas, attitudes and values of a person which determine his role in society and form an integral part of his character. Personality is acquired by the individual as a result of his participation in group life. As a member of the group he learns certain behaviour systems and symbolic skills which determine his ideas, attitudes and social values. These ideas, attitudes and values which an individual holds, comprise his personality. The personality of an individual denotes an adult's inner construction of the outer world. It is the result of the inter-action processes by which standards of ethical judgment, belief and conduct are established in social groups and communities.

To sum up we would say that:

- (i) Personality is not related to bodily structure alone. It includes both structure and dynamics
- (ii) Personality is an indivisible unit.
- (iii) Personality is neither good nor bad.
- (iv) Personality is not a mysterious phenomenon.
- (v) Every personality is unique.



(vi) Personality refers to persistent qualities of the individual. It expresses consistency and regularly.

(vii) Personality is acquired.

(viii) Personality is influenced by social interaction. It is defined in terms of behaviour.

The Types of Personality:

Some attempts have been made to classify personalities into types. In the 5th century B. C., the Greek physician Hippocrates divided human beings into four types: the sanguine, the melancholic, the choleric, and the phlegmatic. The Swiss psychoanalyst, Carl Gustav Jung, distinguished between two main types, the introvert and the extrovert. The introvert is preoccupied with his own self; the extrovert with things outside self.

In these two types there is a third type—the ambiverts who are neither the one nor the other but vacillate between the two. The majority of people are ambiverts. According to Ernest Kretschmer the German psychiatrist, the extrovert personality is a stout person while the introvert one is a tall and slender person. The first type of persons he called "pyknic" the second type he called "leptosomic" W.I. Thomas and Florian Znaniecki distinguished among the Bohemian, the Philistine, and the Creative.

2. Determinants of Personality:

Personality is a result of the combination of four factors, i.e., physical environment, heredity, culture, and particular experiences. Here we discuss each factor determining personality separately.

Personality and Environment:

Above we described the influence of physical environment on culture and pointed out that geographical environment sometimes determines cultural variability. That the Eskimos have a culture different from that of the Indians is due to the fact that the former have a geography different from the latter.

Man comes to form ideas and attitudes according to the physical environment he lives in.

To the extent that the physical environment determines cultural development and to the extent, that culture in turn determines personality, a relationship between personality and environment becomes clear. Some two thousand years ago, Aristotle claimed that people living in Northern Europe were owing to a cold climate, full of spirit but lacking in intelligence and skill. The natives of Asia, on the other hand, are intelligent and inventive but lack in spirit, and are, therefore, slaves.

Thus, climate and topography determine to a great extent the physical and mental traits of a people, but it cannot be said that they alone determine human behaviour. Most kinds of personality are found in every kind of culture. The fact remains that civilizations have appeared in regions of widely different climate and topography. Christianity knows no climate belts. Peoples are monogamous in high altitudes and flat lands, under tropical temperate and arctic conditions. Men's attitudes and ideas change even when no conceivable geographic change has occurred. Proponents of geographic determinism oversimplify the human personality and so their interpretations are to be accepted only after close scrutiny.

Heredity and Personality:

Heredity is another factor determining human personality. Some of the similarities in man's personality are said to be due to his common heredity. Every human group inherits the same general set of biological needs and capacities. These common needs and capacities explain some of our similarities in personality. Man originates from the union of male and female germ cells into a single cell which is formed at the moment of conception.

He tends to resemble his parents in physical appearance and intelligence. The nervous system, the organic drives and the ductless glands have a great bearing upon personality.



They determine whether an individual will be vigorous or feeble, energetic or lethargic, idiot of intelligent, coward or courageous.

A man with a good physical structure and health generally possess an attractive personality. A man of poor health, pigmy size and ugly physical features develops inferiority complex. The growth of his personality is checked. Rejected and hated by the society he may turn out to be a thief, dacoit, or drunkard. It is also probable that he may become a leader, or a genius like Socrates and Napoleon. Likewise the nervous system and glandular system may affect the personality of an individual.

The nervous system affects the intelligence and talent of the individual. The hormones affect the growth of personality. Too many or too less of hormones are harmful. Some men are over-patient, overzealous, overactive and overexcited while others are lazy, inactive, and weak. The reason may be secretion of more hormones in the first case and less hormones in the latter case. For a normal personality there should be a balanced secretion of hormones.

Heredity may affect personality in another way, i.e., indirectly. If boys in a society prefers slim girls as their companion, such girls will receive greater attention of the society providing them thereby more opportunities to develop their personality. According to Allport, Gordon, W. no feature of personality is devoid of hereditary influence.

However, heredity does not mould human personality alone and unaided. "For the present, we can only assume that there are -genes for normal personality traits just as there are genes for other aspects of human make-up and functioning. Where in members of the same family, in a similar environment, we can see great differences in personality, we may ascribe these in part at least to differences in gene contributions.

We can also guess that some of the family similarities in personality are genetically influenced. But we are still a long way from identifying specific 'personality' genes, gauging their effects or hazarding predictions as to what the personality of a given child will be on the basis of what we know about its parents." However, according to a news report (Times of India, Jan. 3, 1996) the scientists have identified a gene which influences impulsiveness, excitability and extravagance.

In short, heredity can never be considered as charting a fixed and definite course of anyone's personality. At the best, what anyone inherits are the potentialities for a wide range of personalities, the precise form into which a personality will "jell" being determined by circumstances. Ogburn and Nimkoff write, "It would be an error to hold, as' endocrine enthusiasts do, that the glands determine the whole personality, include rich things, as one's opinions, one's habits, and one's skills." t is possible to over-activate or under-activate some of these kinds by injecting certain kinds of hormones and thereby affect human personality. In other words, it may be said that the available evidence does not support the dogmatic view that personality is biologically transmitted.

Of course, there are some traits which seem to be more directly affected by heredity than others. Manual skills, intelligence and sensory discriminations are some of the abilities which appear more highly developed in some family lines than others. But other traits such as one's beliefs, loyalties, prejudices and manners are for the most part the result of training and experience.

Heredity only furnishes the materials out of which experience will mould the personality. Experience determines the way these materials will be used. An individual may be energetic because of his heredity, but whether he is active on his own belief or on behalf of others is a matter of his training.

Whether he exerts himself in making money or in scholarly activity is also dependent upon his bringing. If personality is a direct consequence of heredity tendencies or traits then all the sons and daughters of the same parents brought up in the same environment should have identical personalities or at least personalities that are very much alike.



But investigation shows that even at the tender age of three or four years they show quite distinct personalities. The new born human being is, to use the phrase of Koenig, Hopper and Gross, a "candidate for personality." It is, therefore, clear that an individual's heredity alone would not enable us to predict his traits and values.

Personality and Culture:

There can be little doubt that culture largely determines the types of personality that will predominate in the particular group. According to some thinkers, personality is the subjective aspect of culture. They regard personality and culture as two sides of the same coin.

Spiro has observed, 'The development of personality and the acquisition of culture are not different processes, but one and the same learning process.' Personality is an individual aspect of culture, while culture is a collective aspect of personality.' Each culture produces its special type or types of personality.

In 1937 the anthropologist Ralph Linton and the psychoanalyst Abram Kardinar began a series of joint explorations of the relationship between culture and personality by subjecting to minute study reports of several primitive societies and one modern American village. Their studies have demonstrated that each culture tends to create and is supported by a "basic personality type." A given cultural environment sets its participant members off from other human beings operating under different cultural environments.

According to Frank, 'culture is a coercive influence dominating the individual and moulding his personality by virtue of the ideas, conceptions and beliefs which had brought to bear on him through communal life.' The culture provides the raw material of which the individual makes his life. The traditions, customs, mores, religion, institutions, moral and social standards of a group affect the personality of the group members. From the moment of birth, the child is treated in ways which shape his personality. Every culture exerts a series of general influences upon the individuals who grow up under it.

Ogburn as we noted above, divided culture into "material" and "non-material." According to him, both material and non-material culture have a bearing on personality. As for the former he provides examples of the influence of plumbing on the formation of habits and attitudes favourable to cleanliness and the relation of time-pieces to punctuality. The American Indians who have no clocks or watches in their culture have little notion of keeping appointments with any exactness.

According to him, they have no sense of time. The personality of an American Indian differs from that of a white man in the matter of punctuality and this is because of differences in their culture. Similarly, some cultures greedy value cleanliness as witnessed by the saying: "Cleanliness is next to godliness." This trait of cleanliness is greatly encouraged by the technology of plumbing and other inventions that are found with it.

The Eskimos are dirty because they have to hang a bag of snow down their backs to melt it in order to get water. A man who has just to turn on a tap of water will naturally be more clean than an Eskimo. Cleanliness, therefore, is a matter not of heredity but of the type of culture. As for the connection between the non-material culture and personality, language affords an instructive example. We know that one of the principal differences between man and animals is that he alone possesses speech.

Language can be learnt only in society. People who cannot speak exhibit warped personality. Since language is the essential medium through which the individual obtains his information and his attitudes, therefore, it is the principal vehicle for the development of personality. Moreover, speech itself becomes a trait of personality. The coarse voice of woodcutter can be readily distinguished from the hushed tones of a man.

The short, crisp, guttural speech of the German seems to be part of his personality, as does the fluid, flowing voluble speech of the Spaniard. Movements of the hands and shoulders in speech are regarded as part of the very core of the personalities of Italians and Jews. The



Jews use their gestures for emphasis only, while Italians depend upon them to convey part of the meaning.

Another illustration of the influence of culture on personality is the relationship of men and women. In the earlier period when farming was the principal business, women generally had no occupations outside the home, and naturally, therefore, they were economically dependent upon their fathers or husbands. Obedience was a natural consequence of such conditions. But today hundreds of women work outside the homes and earn salaries.

They enjoy equal rights with men and are not so dependent upon them as they were in the past. Attitude of independence instead of obedience has today become a trait of women's personality. With the growing realisation of the importance of culture for personality, sociologists have recently made attempts to identify the factors in particular cultures which give a distinctive stamp to the individuals within the group. Ruth Benedict analyzed the cultures of three primitive tribes and found that cultures may be divided into two major types

Personality and Particular Experiences:

Personality is also determined by another factor, namely, the particular and unique experiences. There are two types of experiences one, those that stem from continuous association with one's group, second, those that arise suddenly and are not likely to recur. The type of people who meet the child daily has a major influence on his personality. The personality of parents does more to affect a child's personality.

If the parents are kind, tolerant of boyish pranks, interested in athletics and anxious to encourage their child's separate interests the child will have a different experience and there shall be different influence on his personality than the one when the parents are unkind, quick tempered and arbitrary. In the home is fashioned the style of personality that will by and large characterise the individual throughout his life.

Social rituals, ranging from table manners to getting along with others, are consciously inculcated in the child by parents. The child picks up the language of his parents. Problems of psychological and emotional adjustments arise and are solved appropriately by each child in terms of the cultural values and standards of the family. The family set up tends to bring the child into contact with his play-mates and teachers. What his play-game members are, and his school teachers are will also determine his personality development.

Group influences are relatively greater in early childhood. This is the period when the relationships of the child with his mother, father and siblings affect profoundly the organisation of his drives and emotions, the deeper and unconscious aspects of his personality.

A certain degree of maturation is needed before the child can understand the adult norms. The basic personality structure that is formed during this period is difficult to change. Whether a person becomes a leader, a coward, an imitator? whether he feels inferior or superior, whether he becomes altruistic or egoistic depends upon the kind of interaction he has with others. Group interaction moulds his personality.

Away from the group he may become insane or develop queer attitudes. As a child grows he develops wish for response and wish for recognition. To his organic needs are added what are called 'sociogenic' needs which are highly important motivating forces in personality. How the idea of self develops in the child is an important study. The self does not exist at birth but begins to arise as the child learns something of the world of sensation about him.

He comes to learn of what belongs to him and takes pride in his possessions. He learns that parts of his body belong to him. He becomes acquainted with his name and paternity and comes to distinguish himself from others. The praise and blame he receives from others account in large measure for his conduct. The development of self leads to the growth of conscience and ego.

Our view of self conception is usually based on the opinion of others about us. It does not, however, mean that we value all opinions about our conduct equally. We attach importance



only to the opinions of those whom we consider for one reason or the other significant than others.

Our parents are usually most significant than others since they are the ones who are intimately related to us and have greatest power than others over us especially during the early years of life. In short, our early experiences are very important in the formation of our personality. It is in early life that the foundations of personality are laid.

Why are the children brought up in the same family differ from one another in their personality, even though they have had the same experiences? The point is that they have not had the same experiences. Some experiences are similar while others are different. Each child enters a different family unit.

One is the first born, he is the only child until the arrival of the second. The parents do not treat all their children exactly alike. The children enter different play groups, have different teachers and meet different incidents. They do not share all incidents and experiences. Each person's experience is unique as no body else perfectly duplicates it. Thus, each child has unique experiences exactly duplicated by no one and, therefore, grows a different personality.

Sometimes a sudden experience leaves an abiding influence upon the personality of an individual. Thus a small child may get frightened at the view of a bloody accident, and even after the accident he may be obsessed of the horror of fear. Sometimes a girl's experience with a rapist may condemn her to a life of sexual maladjustment.

A book may not uneaten challenge a man to renounce the world and seek God. If a man meets an accident which cripples or weakens him, he may come to entertain the feelings of inadequacy. Lord Buddha is said to have been led to renunciation by the sight of a funeral procession. In this way experiences also determine one's personality.

However, it may be noted that one's own personality that one has acquired at any moment will in part determine how the experiences influence his pre-acquired personality. Thus a child who is robust, outgoing, athletic would find his parents in the first case a model for behaviour, a model that would deepen the already apparent personality traits. But if the child is shy, retiring and bookish he may find such parents' personality distasteful and intensify the opposed personality trends already apparent.

It may also be referred that personality is a matter of social situations. It has been shown by social researchers that a person may show honesty in one situation and not in another. The same is true for other personality traits also. Personality traits tend to be specific responses to particular situations rather than general behaviour patterns. It is a dynamic unity with a creative potential.

Heredity, physical environment, culture and particular experiences are thus the four factors that explain personality—its formation, development and maintenance. Beyond the joint influence of these factors, however, the relative contribution of each factor to personality varies with the characteristic or personality process involved and, perhaps, with the individual concerned.

Genetic or hereditary factors may be more critical for some personality characteristics, while environmental factors, (cultural, financial), may be more important for others. Furthermore, for any one characteristic, the relative contribution of one or another factor may vary from person to person.

Also there is no way yet known to measure the effect of each factor or to state how the factors combine to produce a given result. The behaviour of a juvenile delinquent is affected by his heredity and by his home life. But how much is contributed by each factor, cannot be measured in exact terms.

3. 10 great ways to improve your personality:



- i) **Be a better listener.** Jacqueline Kennedy Onassis was considered one of the most charming women in the world because she cultivated the skill of being an exceptional listener. She was known for the way she would look a person in the eyes, hang on their every word, and make them feel important. There is nothing more appealing than having someone listen to you intently making you feel like you're the only person in the world.
- ii) **Read more and expand your interests.** The more you read and cultivate new interests, the more interesting you are to others. When you meet new people it gives you the opportunity to share what you know and to exchange your views with them.
- iii) **Be a good conversationalist.** This relates to how much you read and know. Once you have much to contribute, learn how to talk about it with others. No one can read about or know everything, so it's refreshing to learn from others those things we don't have the time to about read ourselves. If you happen to be shy, join a group like Toastmasters that encourages you to talk about what you know.
- iv) **Have an Opinion.** There is nothing more tiresome than trying to talk to someone who has no opinion on anything. A conversation has nowhere to go if you have nothing to expound on. If, however, you have an uncommon point of view or differing opinion, you are more interesting and stimulating to be with socially (unless you're a know-it-all, of course). A unique outlook expands everyone's perspective.
- v) **Meet New People.** Make the effort to meet new people especially those unlike you. It not only exposes you to different cultures and alternative ways of doing things, it broadens your horizons.
- vi) **Be yourself.** The next most tiresome thing after having no opinions is trying to be something you're not. Molding yourself in order to fit in, or be accepted, usually backfires. Since each of us is unique, expressing that uniqueness is what makes us interesting. Attempting to be a carbon copy of someone else not only falls flat, but reveals a lack of authenticity.

4. Types of Personality:

The Inspector

They appear serious, formal, and proper. They also love traditions and old-school values that uphold patience, hard work, honor, and social and cultural responsibility. They are reserved, calm, quiet, and upright.

The Counselor

They have a different, and usually more profound, way of looking at the world.

The Mastermind

They are introverts, are quiet, reserved, and comfortable being alone. They are usually self-sufficient and would rather work alone than in a group.

The Giver

They are extroverted, idealistic, charismatic, outspoken, highly principled and ethical, and usually know how to connect with others no matter their background or personality. Mainly relying on intuition and feelings, they tend to live in their imagination rather than in the real world.

The Provider



They are social butterflies, and their need to interact with others and make people happy usually ends up making them popular.

The Idealist

They are quiet and reserved. They prefer not to talk about themselves, especially in the first encounter with a new person. They like spending time alone in quiet places where they can make sense of what is happening around them.

They are lost in their imagination and daydreams, always drowned in the depth of their thoughts, fantasies, and ideas.

The Performer

They are lively and fun, and enjoy being the center of attention. They are warm, generous, and friendly, sympathetic and concerned for other people's well-being.

The Champion

They like to be around other people and have a strong intuitive nature when it comes to themselves and others. They operate from their feelings most of the time, and they are highly perceptive and thoughtful

The Doer

They are governed by the need for social interaction, feelings and emotions, logical processes and reasoning, along with a need for freedom

The Supervisor

They are organized, honest, dedicated, dignified, traditional, and are great believers of doing what they believe is right and socially acceptable.

The Commander

They live in a world of possibilities and they often see challenges and obstacles as great opportunities to push themselves. They seem to have a natural gift for leadership, making decisions, and considering options and ideas quickly yet carefully. They are "take charge" people who do not like to sit still.

The Thinker

People of this personality type aren't interested in practical, day-to-day activities and maintenance, but when they find an environment where their creative genius and potential can be expressed, there is no limit to the time and energy.

The Nurturer

They are always ready to give back and return generosity with even more generosity. The people and things they believe in will be upheld and supported with enthusiasm and unselfishness. They are warm and kind-hearted. They value harmony and cooperation, and are likely to be very sensitive to other people's feelings

The Visionary

Although they are extroverts, they don't enjoy small talk and may not thrive in many social situations. They are intelligent and knowledgeable need to be constantly mentally stimulated. They have the ability to discuss theories and facts in extensive detail. They are logical, rational, and objective in their approach to information and arguments.



The Composer

They are fun to be with and very spontaneous, which makes them the perfect friend to tag along in whatever activity, regardless if planned or unplanned. They want to live their life to the fullest and embrace the present, so they make sure they are always out to explore new things and discover new experiences. It is in experience that they find wisdom, so they do see more value in meeting new people than other introverts.