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Ph.D Thesis Title: **Role of Government in Promoting Innovation in Micro & Small Enterprises: A Study on Innovative Entrepreneurship**

ABSTRACT

Innovation is the heart of entrepreneurship. Importance of innovation in entrepreneurship is immense as it contributes in long term development and prosperity of individual firm and economy as a whole. In Indian context, where the country is facing myriad of socioeconomic challenges, need new ideas to address them efficiently and profitably. This research work aims to highlight the significance and status of entrepreneurial innovation with empirical findings. The study is carried out in the context of micro and small enterprises of textile industry with the primary survey sample of 110 Micro and Small business entrepreneurs limiting to the geographical location of Delhi, Noida and Gurugram. Secondary data from various global indices (Global Innovation Index, Global Entrepreneurship Index and Economic freedom index) of 128 economies are used to establish the statistical significance of innovation for successful entrepreneurship as a global truth. Standardized scales are used to gauge the innovative intensity of the MSEs along with the segregation of highly innovative from imitative and moderately innovative entrepreneurs. Drivers and barriers of innovative entrepreneurship are identified, ranked and studied using Weighted Average Score (WAS) method for the purpose to emphasize the areas where much attention is needed by the government and other stakeholders working in the domain to promote entrepreneurship and

innovation. Also, drivers of innovative entrepreneurship are probed further through statistical test Friedman's 2-way ANOVA.

The finding of the study reveals an encouraging trend as 76% of entrepreneurs are in moderately innovative category; though only 9% of the firms are categorized as highly innovative and rest purely imitative entrepreneurs. Through follow up analysis the underlying characteristics of categorized entrepreneurs are studied through the application of non parametric Kruskal Wallis Test. The innovative intensity score shows much variation (SD=2.558) with the mean value of 6.7, that stands around the middle of the maximum value. Follow up comparative empirical analysis are conducted on the basis of gender of the entrepreneurs, their educational qualification, and the industry they belong to (manufacturing / services), generation and scale of the enterprise (micro/small) etc.

The factors influencing the Innovative Intensity of micro and small enterprises are studied through Regression modeling. A model is proposed in the light of literature review, experts' opinion and pilot survey. Through regression technique, factors - Technological capability (TC) of the firm, Market orientation (MO) and the Size (scale) of enterprise appear to be statistically significant that have influence over the innovative Intensity of the enterprise.

With the brief coverage of Handloom micro business units, their barriers and challenges to be innovative are discussed through Ishikawa diagram/ fishbone diagram.

This study is a sincere attempt to present the status of innovative entrepreneurship at the level of micro and small enterprises to assist stakeholders and institutions to take note of them and sharper policy is formulated to promote innovative entrepreneurship.