

# Environmental Scanning for Organisational Effectiveness: A Study of Select MSMEs of Jammu and Kashmir, India

Vinay Chauhan\*, Sushma Kaushal\*\*

## Abstract

Environmental scanning yields greater anticipatory management that provides important inputs for acquisition and use of information for planning and designing organisation strategies. Apart from this, effective environmental scanning activities are likely to deal with threats and grasp the opportunities to finally link with enhancing organisational effectiveness. In fact this relationship matrix has led the researchers to conduct an environmental scanning through an examination of the existing status the components of the macro-environment vis-a-vis their relationship with the organisational effectiveness. There are a number of approaches, which describe the macro-environment, of which PEST analysis is regarded as the most common approach for considering the external business environment. Thus, the present study applies PEST analysis to scan the existing business environment. Jammu and Kashmir due to its peculiar political, geographical, economic, and socio-cultural features, had led its cost mountain economy become a distinctive identity. Despite the fact that the state has rich endowments, international relations with its neighbour's vis-à-vis its impact on political environment also pose developmental challenges for the business units operating in the state. This has provided valid rationale for conducting the present. The environmental scanning is done through the perception of the select entrepreneurs' operating MSMEs in the state of J & K. An impact analysis of environmental factors (PEST) on the organisational effectiveness is also done in the study. The findings of the study show that the political environment of the state that is not favourable for entrepreneurial

development whereas the rest of the other drivers of PEST i.e. economic environment, socio-cultural environment, and technological environment show a favourable response of the entrepreneurs. In terms of cause and effect relationship, it is found that the first two drivers of the PEST i.e. political and economic dimension impacts OE positively whereas the other two dimensions namely socio-cultural and technological impacts OE negatively but it is pertinent to mention that the impact is very less and is insignificant. The study also suggests some of strategic options for developing and creating an enabling environment for successful entrepreneurial development to achieve integrated development of the state.

**Keyword:** Environmental Scanning, Organisational Effectiveness, PEST, Entrepreneurial Development

## Introduction

Environment is the dynamic external system that encompasses both *external* and *internal* factors that ensures the functioning and success of a business. The internal business environment includes controllable factors within the organisation whereas the external environment consists of a variety of uncontrollable factors outside the organisation, as we know that external environment plays a major role in the business success of an organisation. The need of the scanning becomes more important in light of the emerging trends in the business practices especially due to the turbulent external environment i.e. technological, regulatory and dynamic changes in the market place. In fact, proactive scanning approach for scanning external

\* Professor, The Business School, University Of Jammu, Jammu And Kashmir, India.  
Email: chauhan\_vinay1@rediffmail.com

\*\* Research Scholar, The Business School, University Of Jammu, Jammu And Kashmir, India.  
Email: sushmamba09@gmail.com

environment yields greater anticipatory management that provides important inputs for acquisition and use of information for planning and designing organisation strategies. There are several external environments, which can be grouped into categories namely socio-economic, legal or ethical, regulatory, political, economic, etc. There are a number of approaches, which describes the macro-environment, of which PEST analysis is regarded as the most common approach for considering the external business environment. PEST is the acronyms for Political, Economic, Social, and Technological factors. Political factors include the government regulations and legal issues and define both formal and informal rules under which the firm must operate. It may include tax policies, employment laws, environmental regulations trade restrictions, and tariffs political stability etc. The other factor/driver in PEST is economic factors which affect the purchasing power of potential customers and the firm's cost of capital. It may include economic growth, interest rates, exchange rates, and inflation rates. Social factors include the demographic and cultural aspects of the external macro-environment. The last factor is technological factor which includes R&D activity, automation technology, incentives rate of technological change etc.

In fact an analysis of the components of the scanning provides early warning signals and help the organisations in order to cope with the coming environmental uncertainties, risks, threats, and opportunities and hence reduce the chance of being blindly shielded. Effective environmental scanning activities are likely to deal with threats and grasp the opportunities to finally link with enhancing organisational effectiveness.

Infact this relationship matrix has led the researcher to conduct an environmental scanning through an examination of the existing status the components of the macro-environment vis-a-vis their relationship with the organisational effectiveness.

## Review of Literature

Environment is a sum total of all the factors that influence and determine the tactics of an organisation for evaluation of external environment with the help of a scanning (Osugwu, 2001). Environmental scanning is a broader area of scanning of external drivers of an organisation which includes the demographic environment, socio-

cultural environment, technological environment (Kotler, Keller, Brady, Goodman, & Hansen, 2009) and physical environment (Zikmund & Amico, 2001). According to Daft and Weick (1984), one can understand its organisational external environment by dividing it into three phases: scanning (information seeking), interpretation (giving meaning to the collected data), and learning (taking action based on the data). Milliken (1987) in his study it were suggested that environmental uncertainty arises from the organisation's inability to predict its environment. Therefore, it is very necessary to scan the environment effectively for the successful alignment of competitive strategies with environmental requirements and for the achievement of outstanding performance (Beal, 2000). It is considered that scanning could help organisations to attained alignment with an organisation's external environments (Garg, Walters, & Priem, 2003; Strandholm & Kumar 2003). Therefore, it is important for an organisation to identify, understand and continuously examine the drivers of business environment in order to adapt themselves in the dynamic and uncertain environment (Jorosi, 2008). Environment scanning is the careful monitoring of an organisation's internal and external environments for detecting early signs of opportunities and threats that may influence its current and future plans. The biggest advantage of the scanning is that it helps in acquiring information about events and relationships in a company's outside environment, thereby providing the knowledge of which assist senior management in the task of charting the company's future course of action (Aguilar, 1976). However the concept of scanning in application has led to emergence of the different approaches, while PEST analysis has been described as one of the best frameworks of macro-environment of an organisation used in the scanning of environmental component of effective change management (Costa, 1995; Byars, 1991; Cooper, 2000; Kotler, 1998)

On one hand, PEST analysis helps an enterprise to strategizing a fit between capabilities and the external driver's whereas on the other side environmental scanning leads to enhance organisational performance and productivity (Albright, 2004).

As we know that organisational performance is an outcome associated with more efficient operations. Performance measurement endorses a process where the focus is on the internal process of quantifying the effectiveness and the efficiency of action with a set

of metrics (Neely, Gregory & Platts, 1995). It is also pointed out that performance measurement plays an important role in strategic development and help in planning, evaluation and achievement of organisational objectives (Ittner & Larcker, 1998). As is also pointed out by Handa and Adas (1996), organisational effectiveness is the most significant outcome of a dynamic system which is designed and planned after having a thorough understanding about the business environment. In the light of given literature, inference can be drawn that there is a relationship between macro-environmental factors and organisational effectiveness.

The above discussed relationship between environment and organisation effectiveness becomes more relevant for the enterprises operating in a state like Jammu and Kashmir due to its peculiar political, geographical, economic and socio-cultural features, which had led to the cost mountain economy of the state become a distinctive identity. Despite the fact that state has rich endowments, J&K represents one of the low developed states of the country on number of development indicators (J&K Economic survey, 2013-14). International relations with its neighbour's vis-à-vis its impact on political environment also pose development challenges for the business units operating in the state. This has provided valid rationale for conducting the present research.

## Methodology

This relationship as discussed above especially in context of a challenging business environment of the state has led the researcher to pursue the research in terms of the following assumptions and research questions;

## Hypotheses

**H1:** There exists a favourable environment for the growth and development of the MSMEs in the state.

**H2:** There is a positive impact of the environmental factors on organisational effectiveness.

## Objectives

1. To conduct the environmental scanning in terms of PEST analysis through the perception of the select entrepreneurs operating MSMEs in the state of J & K.

2. To examine the entrepreneurs' opinion about the organisational effectiveness of their respective enterprises.
3. To measure the casual relationship between environmental factors (PEST) and organisational effectiveness.
4. To suggest ways and options for improvising the business environment of the state to further enhance organisational effectiveness.

## Research Design

The research design used in the present paper includes data collection, research design, procedure, techniques, and validity of the instruments. The validity and reliability were checked before applying all the tests on the data. The study is based on primary data. The data for the study were collected through a sample survey of entrepreneurs operating MSMEs in the state of Jammu & Kashmir. For the survey 100 entrepreneurs operating MSMEs in J&K were taken. But after applying appropriate filters only 70 respondents qualified keeping in view the scope of the study. Though the sample size is small, since each respondent represents one unit of MSME it justifies the sample size. The survey was conducted by selecting entrepreneurs operating MSMEs in different regions of the state, so that suitable responses are given to the types of MSMEs and the location in different industrial areas/estates of the state. The survey instrument was self-administered three part questionnaire. The questions in the first part of the survey asked about respondents' social demographics i.e. gender, education, experience, age, and training. In the second part 17 item index of the PEST analysis was developed keeping in view the past researches (Gautam, 2005) and various considerations related to the study area. The 17 item index included four dimensions of PEST wherein first is political environment, second is economic environment, third is socio-cultural, and last is technological environment. For evaluation organisational effectiveness 10 item index based on H.J. Eager (1988) is included in last part of the questionnaire for each respondents used 7 point likert scale to rate their perception, where 1=Strongly Disagree, 2=Disagree, 3=Some What Disagree, 4=Neither Agree or Disagree, 5=Some What Agree, 6=Agree, 7=Strongly Agree. The statistical techniques used for the analysis of the data

include percentage method, standard deviation, multiple correlation and multiple regression. Percentage method is used for explaining the respondent mix whereas mean and standard deviation are used to explain the entrepreneur's perception regarding pest and organisational effectiveness on 7 point scale. Multiple correlation and multiple regression have been applied to study the relationship as well as individual and joint influence of macro-environmental factors on organisational effectiveness.

## Data Analysis and Interpretation

The data collected have been analysed and interpreted using appropriate statistical tools and techniques which are discussed in the following sections.

### Profile of the Respondents

The study is restricted to the entrepreneurs of Jammu and Kashmir. Profiles of the respondents are depicted in Table 1.

**Table 1: Demographic of the Entrepreneurs owning MSME's**

Description	No. of Respondent	Percentage of Respondent
<b>Gender</b>		
1) Male	55	78.58
2) Female	15	21.42
<b>Marital status</b>		
1) Married	58	83.86
2) Single	2	17.14
<b>Education</b>		
1) Yes	33	47.14
2) No	37	52.86
<b>Experience</b>		
1) Yes	32	45.71
2) No	38	52.29
<b>Age</b>		
1) 20 or under	21	30.00
2) 21-30	30	42.86
3) 31-40	12	17.14
4) 41-50	07	10.00
<b>Training</b>		
1) Management	21	30.00
2) Technical	33	47.14
3) Both of them.	12	17.14
4) None of them	04	05.72

It is clear from Table 1 that out of 70 respondents, 55 (78.58%) are males and rest 15 (2.42%) are females. On the basis of marital status, majority of the respondents i.e. 58 accounting for 83.86 % are married as compared to singles, who are 12 (17.14%). On the basis of experience, 32 which contribute about (45.71%) were having experience and 38 (52.29%) were having no previous experience. On the basis of the age, 21 (30%) respondents fall in the category of having age 20 or under, 30 (42.86%) fall in the category of having age 21-30, likewise 12 (17.14%) were having age in between 31-40 age group, and only 7(10%) fall in the age group of 41-50. About the training background of the respondents, 21 (30%) were having background of management training, 33 (47.14%) were having only technical training, 12 (17.14%) of the respondent were having management as well as technical training, and only 4 (5.72%) having no training at all.

### Assessment of Perceived Environmental Variables

This part includes an assessment of perceived environmental variables which is depicted in the Table 2. This represents the perception of the entrepreneurs operating MSMEs in the state of J&K in terms of 17 statements that broadly explain different components of the existing macro-environment. Responses are recorded on 7 point Likert scale where 1=Strongly Disagree, 2=Disagree, 3=Some What Disagree, 4=Neither Agree or Disagree, 5=Some What Agree, 6=Agree, and 7=Strongly Agree.

**Table 2: Assessment of Perceived Environmental Variables**

V. No	Variables	Mean	S.D
V1.	It is easy to register and get permission for MSMEs.	3.49	0.79
V2.	One window policy for supporting business sector's is favourable.	3.53	0.83
V3.	The existing public policies are favourable for starting of MSME's in rural areas.	3.23	0.84
V4.	Present liberalisation is favourable for entrepreneurs.	5.69	0.99
V5.	Govt. subsidies and financial incentives being providing to entrepreneurs is not enough.	5.61	0.87

V.No	Variables	Mean	S.D
V6.	Tax administration is simple and easy for entrepreneurs.	5.69	0.97
V7.	Consumer’s purchasing power affects the entrepreneurs.	5.47	0.91
V8.	Capital market is favourable for entrepreneurs.	5.56	1.00
V9.	Bank interest rate is favourable for the entrepreneurs.	5.33	1.02
V10.	Entrepreneurs are fulfilling their social responsibilities.	5.29	0.73
V11.	Western culture has let to market diversified.	5.14	0.80
V12.	Lack of business education effects business development.	5.20	0.75
V13.	Existing population growth creates opportunity for entrepreneurs.	5.26	0.74
V14.	Urbanisation creates market opportunity.	5.46	0.76
V15.	Technology change provides opportunities to entrepreneurs.	5.86	0.89
V16.	Business needs more investments on new technology.	5.77	0.95
V17.	New technology impacts business growth positively.	5.90	0.84

The table indicated that Variable-17, i.e. entrepreneurs felt that new technology impact business growth positively was found to be highest (Mean=5.90, SD=0.84), whereas the existing public policies are favourable for starting of MSMEs in rural areas (V3) was found lowest with Mean=3.23 & SD=0.84. Interestingly the mean value of majority of the variables i.e. 14 (V4-V17) out of 17 variables falls above the median (d=4) on 7 point scale, that shows that for most of the environment variables there is a favourable environment in the state except for three variables i.e. V1, V2 & V3 whose mean value falls below the mid value (d=4).

### PEST Analysis

The above discussed 17 environment variables broadly explain four factors of PEST analysis wherein, PEST is the acronym of political, economic, socio-cultural, and technological analysis. It is one of the tools for the scanning of macro-environment of an organisation. Table 3 indicates the grouping of 17 statements into four dimensions namely (political, economic, socio-cultural, and technological) of the macro-environment. Three variables i.e. V15, V16, V17 represent the political dimension, whereas six

**Table 3: PEST Analysis**

Dimension	Environmental Variable	VM	SD	DM	DSD
Political	V15. It is easy to register and get permission for MSME’s	3.49	0.79	3.41	0.02
	V16. One window policy for supporting business sector’s is favourable.	3.53	0.83		
	V17. The existing public policies are favourable for starting of MSME’s in rural areas.	3.23	0.84		
Economical	V1. Present liberalisation is favourable for entrepreneurs.	5.69	0.99	5.56	0.06
	V2. Govt. subsidies and financial incentives being providing to entrepreneurs is not enough.	5.61	0.87		
	V3. Tax administration is simple and easy for entrepreneurs.	5.69	0.97		
	V4. Consumer’s purchasing power affects the entrepreneurs.	5.47	0.91		
	V5. Capital market is favourable for entrepreneurs.	5.56	1.00		
	V6. Bank interest rate is favourable for the entrepreneurs.	5.53	1.02		
Socio-cultural	V7. Entrepreneurs are fulfilling their social responsibilities.	5.29	0.73	5.27	0.03
	V8. Western culture has let to market diversified.	5.14	0.80		
	V9. Lack of business education effects business development.	5.20	0.75		
	V10. Existing population growth creates opportunity for entrepreneurs.	5.26	0.74		
	V11. Urbanisation creates market opportunity.	5.46	0.76		
Technological	V12. Technology change provides opportunities to entrepreneurs.	5.86	0.89	5.84	0.06
	V13. Business needs more investments on new technology.	5.77	0.95		
	V14. New technology impacts business growth positively.	5.90	0.84		

variables namely V1,V2,V3,V4,V5 &V6 represent the economic dimension of the PEST, while five variables from V7 toV11 represent the socio-cultural component, and technological dimension of the PEST is represented through three variables i.e. V12, V13 & V14.

VM = Variable Mean, SD = Std. Dev, DM = Dimensional Mean, and DSD = Dimensional Std. Dev. The measurements are on 7 point scale; where 1 = Strongly Disagree, 2 = Disagree, 3 = Some What Disagree, 4 = Neither Agree or Disagree, 5 = Some What Agree, 6 = Agree, 7 = Strongly Agree

Table 3 shows that in terms of four dimensions of PEST analysis, the T as technological component has the highest mean value 5.84 with 0.06 SD, whereas the P as political environment has the lowest (Mean= 3.41, SD=0.02). The dimensional mean and standard deviation of the other two components i.e. E & S are found to be 5.56 and 5.27, respectively.

The further analysis reveals that of the four, three components namely E (economic), S (socio-cultural), and T (technological) have mean value between 5 to 6 on 7 point scale which shows that the entrepreneurs have a favourable assessment for these three environmental dimensions of the macro-environment that exists in the state of Jammu & Kashmir. The result also shows that the political component has a mean value less than the mid value (d=4). In fact this gives us the scope for identifying the reasons as to why the existing political system in the state is not supportive for the entrepreneurial development in J&K. For the purpose of exploring the reasons a small focus group of the entrepreneurs (10) representing both Jammu and Kashmir regions was selected and detailed discussions were done wherein they pointed out that this is mainly due to existing irresponsible coalitions, political instability and insecurity, insurgency, poor governance, corruption, chaos, and anarchy of the politicians etc.

### Assessment of Organisational Effectiveness

In this section organisational effectiveness is measured in terms of entrepreneurs' assessment on the 10 statements of organisational effectiveness with respect to the enterprises that they own, which are reflected in the Table 4.

**Table 4: Assessment of organisational effectiveness**

Organisational Effectiveness Variables Mean S.D.			
OE1	I am ready to help employee outside of working hours.	6.00	0.59
OE2	I believe in finishing tasks on time.	6.09	0.66
OE3	I am proud of the organisation and its employees.	3.01	1.33
OE4	My organisation philosophy believes that we care about people as partners.	3.13	1.20
OE5	Employees believe that organisation care about them as people.	6.13	0.77
OE6	Organisation philosophy believes in designing organisation programmes to which employee belong.	3.14	1.41
OE7	Organisation ensures that there is an adequate time given to the employee to listen to them.	6.08	0.75
OE8	Giving employee's means of identity with the organisation.	3.37	1.51
OE9	Organisation gives personal caring interest in each employee.	3.54	1.42
OE10	Overall organisational effectiveness of the organisation.	3.90	0.89

1=Strongly Disagree, 2=Disagree, 3=Some What Disagree, 4=Neither Agree or Disagree, 5=Some What Agree, 6=Agree, 7=Strongly Agree

It is clear from the table that out of the 10 variables only four variables of the organisational effectiveness have found the mean value above 6 on 7 point scale which is a good sign for the organisations under reference. These four variables included variable OE1 - "I am ready to help employee outside of working hours" (Mean=6.00, SD=.59), OE2- "I believe in finishing tasks on time" (Mean=6.09, SD=.66), OE5- "Employees believe that organisation care about them as people" (Mean=6.13, SD=.77), and OE7- "Organisation ensures that there is an adequate time given to the employee to listen to them" (Mean=6.08, SD=.75). Unfortunately all other variables have recorded their mean values less than 4, OE3 (3.01), OE4 (3.13), OE6 (3.14), OE8 (3.37), OE9 (3.54). It is pertinent to mention that even Variable OE10 which is taken as the overall measure of the organisational effectiveness has recorded its mean value below 4 which necessitates the need for introspection on part the entrepreneurs regarding the organisational effectiveness of their respective enterprises.

### Impact Analysis of Environmental Components (PEST) on

#### Organisational Effectiveness

In the following section multiple correlation and regression analysis have been applied to study the relationship as well as individual and joint influence of macro-environmental factors (PEST) on organisational effectiveness. Further, to consider PEST as independent variables collinearity check has been applied in Table 5.

1=Strongly Disagree, 2=Disagree, 3=Some What Disagree, 4=Neither Agree or Disagree, 5=Some What Agree, 6=Agree, 7=Strongly Agree

Table 5(a) shows a moderate relationship between the PEST i.e. political, economic, socio-cultural and technological components, thus providing the valid justification for taking all these components as independent variables. In Table 5(b) multiple regression technique has been applied wherein PEST i.e. political environment (V1-V3), economic environment (V4-V9), socio-cultural environment (V10-V14), technological environment (V15-17), have been taken as explanatory variable, whereas overall organisational effectiveness (OE 10) has been used as dependent variable. The regression model used in the analysis is  $OE = \alpha + \beta_1 P + \beta_2 E + \beta_3 S + \beta_4 T$  whereas  $\alpha, \beta_1, \beta_2, \beta_3, \beta_4$  are the parameters of the PEST analysis, where; the regression

equation is  $OE = -1.42 + 0.20P + 0.46E - 0.14S - 0.10T$ . Table 5 (b) shows the strength of relationship between the dependent variable Organisational Effectiveness and all the independent variables taken together and also the impact of these independent variables on Organisational Effectiveness. When political environment is changed by one unit, the organisational effectiveness is increased by 0.20, which is statistically significant at 0.001 level. For one unit increase in economic environment, the organisational effectiveness is enhanced by 0.46 which is statistically significant at 0.05 level. For socio-cultural and technological components one unit increase affects organisational effectiveness adversely to the tune of 0.14 & 0.10 respectively which were found to be insignificant. The multiple correlation co-efficient between the dependent variable OE and the independent variables like political environment, economic environment, socio-cultural environment, and technological environment ( $R = 0.63$ ) indicates that OE is influenced by independent variables. It is also evident from the value of  $R^2 = 0.40$  of variation in OE is accounted by joint variables of political and economic environment.

### Hypotheses Tests

From the above calculations it can be interpreted that first hypothesis, H1 (There exists a favourable environment for the growth and development of the MSMEs in the state) stands partially accepted as the first component of

**Table 5(a): Correlation Matrix**

	POLITICAL	ECONOMIC	SOCIO-CULTURAL	TECHNOLOGICAL
POLITICAL	1			
ECONOMIC	0.45	1		
SOCIO-CULTURAL	-0.16	0.074	1	
TECHNOLOGICAL	-0.09	0.25	-0.016	1

**Table 5(b): Impact Analysis of Environmental factors (PEST) on O.E.**

Variables	Regression Coefficients	Standard Error	t value		Multiple Correlation
Political	0.20	0.20	5.84***	Tabular Values for t at 0.05, 0.01 and 0.001 levels of significance is 1.96, 2.32 & 2.57 respectively	Co-efficient of PEST factors O.E on = 0.636425
Economic	0.46	0.23	2.03*		Multiple correlation of Determination ( $R^2$ ) = 0.405036
Socio-cultural	-0.14	0.23	-0.62		Adjusted $R^2 = 0.368423$
Technological	-0.10	0.19	-0.52		Std. error of R = 0.704999

\*  $p < 0.05$ , \*\*  $p < 0.01$ , \*\*\*  $p < 0.001$

PEST, i.e. political environment of the state that is not favourable for entrepreneurial development whereas other drivers of PEST i.e. economic environment, socio-cultural environment, and technological environment show a favourable response for the entrepreneurs operating MSMEs in the state of Jammu and Kashmir. Similarly the second hypothesis H2 (There is a positive impact of the environmental factors on organisational effectiveness) is also accepted partially as is clear from Table 6 that the first two drivers of the PEST i.e. political and economic dimensions impact OE positively which was found significant, whereas the other two dimensions namely socio-cultural and technological components impact OE negatively but it is pertinent to mention that the impact is very less and is insignificant.

## Conclusion, Suggestion and Recommendations

The present study is undertaken to conduct scanning of environmental drivers and their impact on organisational effectiveness. The findings show that the entrepreneurs' assessment for the components like economic, socio-cultural, and technological environment of PEST are in the state of J&K, whereas political component is found to be less favourable for entrepreneurial development in the state.

In fact this gives us the scope for identifying the reasons as to why the existing political system in the state is not supportive for the entrepreneurial development in J&K. Further analysis of an impact assessment of the environmental drivers on OE reveals that political and economic dimensions impact OE positively whereas the very less degree of negative impact is witnessed in terms of other two dimensions namely socio-cultural and technological which is almost insignificant. The detailed analysis of the data as well as on the basis of a focused exploratory research through detailed discussions with the small group of representative entrepreneurs has led the researcher to give the following suggestions and recommendations.

For the existing state of political environment, there are many reasons which can be held accountable such as irresponsible coalitions in the government formation, political instability and insecurity, insurgency, poor

governance, corruption, chaos and anarchy of the politicians etc. Thus, stable and dynamic political system, good governance, transparent mechanism with the time effective single window clearance systems, corruption free environment, political mind set, less bureaucratic system are recommended to improvise the existing status of the political environment for entrepreneurial development in the state. As far as the other environmental drivers are concerned some of the entrepreneurs opined that the government should redesign encouraging regulatory framework revising their rules and regulations, policies, procedures, benchmarking standards, technological support systems strengthening institutional structures etc.

It is also found that the entrepreneurs are less aware about the different government schemes available to the entrepreneurs, like state fiscal incentives, tax incentives, central and state government packages. Thus it is also suggested that awareness programmes may be conducted for both existing and potential entrepreneurs so that they are able to take the optimum benefits of these existing schemes, incentives and policies. The existing entrepreneurs also suggested the there is need to have an integrated institutional framework among the various financial institutions to provide financial and credit facilitation for both creation and expansions of the enterprises. Suggestions were also given to provide proper training and development opportunities to encourage and motivate the budding and existing entrepreneurs for venture creation thereby contributing towards resolving the problem of unemployment in the state of J&K. In fact, an entrepreneurs representing industrial association was also willing to be a partner and provide all possible help for such training and development initiatives. An analysis of some of the government policy documents shows that government have extensively explored the option of the development of agriculture and allied activities for its much needed development, however, agriculture alone cannot bear the burden of providing food and gainful employment to all the rural population thus, there is urgent need to explore possible opportunities in the emerging areas of entrepreneurship such as social entrepreneurship, rural entrepreneurship, women entrepreneurship, and youth entrepreneurship in the diverse areas of both goods and service sector. In this direction also strategic partnership is suggested to achieve an integrated socioeconomic development of the region.

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