

Entrepreneurial Mobility in Industrial Estates of Bangladesh: A Study on Selected Industrial Estates of Sylhet Division, Bangladesh

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ABSTRACT:

The mobility of entrepreneurs, which is an integral part of human life, can occur in all aspects of occupation and location. Finding out the general trends of mobility in entrepreneurship can be used in the effective motivational activities. As Sylhet is a remittance and raw materials rich but industrially backward area, the mobility of entrepreneurship in both aspects in this area is to be analyzed. The researchers tried to find out the trends from inter generation and intra generation mobility along with location mobility from the entrepreneurs of two industrial estates of Sylhet district. The selective sampling technique is used to select 20 entrepreneurs from different industries to represent all the industrial groups. The findings of the study indicated that entrepreneurial mobility followed a simple trend of occupational independence from narrower to wider and wider. This happened in both inter generation and intra generation mobility. The location mobility followed the convenience in operation like proximity to market, nearness to home and other family needs, utilities, infrastructure, socio-political environment, etc. So the entrepreneurial development program in this region should highlight these points and motivate the entrepreneurs to build a perfect entrepreneurial base in this area.

Keywords: *Entrepreneurs, Mobility, Industrial estate*

INTRODUCTION

Mobility is an integral part of human life. There are two aspects of mobility; movement and settlement. Movement caused by social, economic, political and cultural factors. The most common movement brain drain is caused mostly due to economic reasons. Entrepreneurs move from one place to another and one profession to another one. Some communities are more mobile than others. Marwari, Panjabi, Sindis are the example of more mobile communities. Movement of entrepreneurs reduces the Regional Imbalance among different regions. The Multinational Corporation (MNC) is the example of location mobility and intrapreneurship as the result of occupational

mobility. There are distinct feature and factors in every type of mobility. In the present study the researchers tried to figure out the distinct feature, pace and pattern as well as the factors of entrepreneurial mobility in Sylhet Division- one of the divisions of Bangladesh with distinct feature in peoples' life style and profession and tried to come on a conclusion and find out a fruitful way to utilize this mobility for developing the base of entrepreneurship in this industrially backward area.

Actually there is no common factor in entrepreneurial mobility. Every case of mobility has its special factor. The factors may be divided into two broad categories: push and Pull.

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a. Education: Education enlarges the thinking and understanding of individual entrepreneurs. An educated entrepreneur can comprehend more easily, clearly and in better way. They can adjust themselves with in the inevitable changes in the environment and can communicate and discuss every matter in better way than an uneducated entrepreneur. As mobility requires better communication, comprehension, adjusting skill, so the educated entrepreneurs are more mobile and it is supported by empirical evidence (Sharma, 1980)

b. Experiences: More experience of entrepreneurs increase the propensity of mobility among entrepreneurs. The entrepreneurs with more experience can use the SWOT analysis more effectively. They can exploit the opportunity and protect their enterprise from alarming threats, analyze the strength and weakness in better way. The technical experience of entrepreneurs help them more in their mobility as it is the distinctive competency.

c. Availability of Facilities: Enterprise is a system of various stages. Every stage needs inputs, facilities and techniques. Without required facilities the system cannot work. Therefore, entrepreneurs are to move from one place to another for better facilities. This is the push factor of mobility. Better transportation, network, and utilities like gas, water, electricity and availability of inputs bound the entrepreneurs to move. Proximity to agencies of enterprise like the suppliers and distributors make the entrepreneurs to move also.

d. Political Conditions: In developing countries there is more or less unrest in every country. Furthermore there is also frequent change in policies that bound the entrepreneurs to move. Sometimes the present location will not be suitable for operation and sometimes the other places become more attractive due to political environment that compel the entrepreneurs to move. After Liberation the Pakistani entrepreneurs had to leave the country. Recently the management group of Hotel Sheraton left the country for less attractive business in Bangladesh.

e. Size of the Business: The size of the business is another compelling factor of entrepreneurs' mobility. Some big firms start their operation from the inception. Some concentrate on a place in economy of the scale by trying to dominate

the market, and after achieving an expected market share they search opportunity in other places and mobility held.

Occupational Mobility

Occupational mobility refers to changes in the profession due to both push and pulls factors. The pull factors compel the entrepreneurs to change their profession while push factors makes entrepreneurs change their occupation for better benefits. The researchers highlight two aspects of occupational mobility; inter-generation mobility and intra-generation mobility. The changes of occupation from the fathers' occupation are called inter-generation mobility and changes of profession from entrepreneurs' own occupation is intra-generation mobility.

Another aspect of occupational mobility is the horizontal and vertical mobility. The horizontal mobility refers to the changes of occupation in the equal rank and the vertical mobility in unequal rank. This classification is oriented to mainly professional persons. The factors of occupational mobility includes: freedom of choice, motivation of entrepreneurs, efforts of entrepreneurs, availability of opportunity, threats, family or caste, required technical skill, etc.

In the present research occupations are broadly classified as farming, profession, business and industry. It is found that farming is the primary occupation. The general trend of intra-generation occupational mobility is from profession-the secondary profession- to industry. It is also found that business community dominates the entrepreneurship. But technicians, lawyers, business executives, government servants are doing the mobility to entrepreneurship as well. Better education and technical knowledge facilitates the entrepreneurial mobility (Sadhak, 1989). The rigidity of caste system and its obligations is eased by political, social and economic changes held in the social structure that helped the mobility (Medhora, 1965).

Location Mobility

Early theories of location mobility highlighted the adjustment between location and proximity to inputs and outputs. The selection of location generally considered the proximity to

natural resources as raw materials and customers. But the modern theories emphasize on availability of natural resource for choosing the location is declined. Many industrial units are established in the natural resources poor area but it puts greater emphasize on industrial map (Papola and Tiwari, 1981), the location mobility does not effected by any single factor rather it depends on many factors. There is the significance of the study of the factors and their magnitude of effect in location mobility. All entrepreneurs are not mobile. Some are more mobile than others. The mobility depends on availability of raw materials, infrastructure and labor, proximity to raw materials, labors, and others inputs, knowledge and experience of the entrepreneurs, and the socio-political situation of the region.

At the initial stage on industrialization, the network of business elements, the supporting services are highlighted. The resource-poor enterprises tend to be near the places of the factors. The expansion of capital, string network, support services, experiences, and information flow make entrepreneurs mobile from local area to metropolitan. The highly resourceful MNC and outflows of fund from NRB are the candidates of entrepreneurial mobility. The factors considered in selecting units are homeland of entrepreneurs, the given Incentive in establishing industrial unit in specific place, proximity to labor, market and raw materials, the right infrastructure, etc. The incentives in term of fiscal concession cannot compensate the lack of required infrastructure (Papola and Tiwari, 1981). Similarly availability of raw materials, labor and cheap land cannot make the entrepreneurs mobile. The dearth of skilled labor for some industries is highly considered factor in location mobility. In Bangladesh, after 41 years of independence there is visual imbalance between different regions. Some areas are more developed while others have remained unchanged. The only way of developing the backward areas is industrialization. But the lack of entrepreneurship in those regions does not lead to the expected result. The mobile entrepreneurs can solve the problem. They are considered as the initiator of industrialization of these backward areas as well as being the pace setters of industrialization.

Objective of the Study: The study is to find out the effective ways to motivate prospective entrepreneurs through analyzing the factors of entrepreneurial mobility in regard to occupation and location. The researchers set their objectives as follows:

1. To find out the factors of occupational mobility of the entrepreneurs.
2. To find out causes of changing the location of their entrepreneurs.
3. To recommend the proven factors from mobility of industrialists to motivate the prospective entrepreneurs.

RESEARCH METHOD

Selection of Sample: There are five industrial estates in Sylhet division. Among them two estates namely Gutatiker and Khadimnager have been selected for the study purpose. Twenty industrial units have been selected conveniently for the research. Among twenty units thirteen units have been selected from Khadimnager and seven from Gutatiker estates. Among the industrial units six are from food processing, three from paper printing and engineering, two from textile and chemical, one from ceramic and three from other industry.

Collection of Data and Analysis: Both primary and secondary data have been used in the study. Primary data have been collected from field survey using a structured questionnaire. The secondary data have been collected from some published books and articles. The collected data have been analyzed using simple statistical tools and tables.

Findings and Analysis: Different factors are used to choose an occupation. Similarly different factors are to be considered in changing an occupation. The changing of occupation to more risky occupation, entrepreneurship is a major decision for every human career. The different factors may be used for such changes. As this is the most risky occupation, so the percentage of people come in this profession is insignificant. But it is important to know the trend of changes of occupation to entrepreneurship from other occupations. The table 1 shows the entrepreneurs' immediate past occupational background to get the insights.

With the popular belief held that entrepreneurs are drawn mostly from the merchant classes, table 1 shows merchant group as the single largest group (55%) and blue color worker and agriculturist are second (15%). The white color workers are not far behind (10%) and the unemployed lies far more behind (5%).

Occupation of Entrepreneurs' Father and Grandfather

Occupational mobility among agricultural families is more diversifying compared to non agricultural families as it can be seen from table 2, where the entrepreneurs' father's occupation and also of their grandfathers' are given. The tendency of sons of cultivators becoming cultivators is marked low. In contrast, it is high among the merchants' families. Such a tendency is found to be much more among white collar workmen.

It is also found that the proportion of manufactures' son turning manufacturers is very significant. Out of the two entrepreneurs whose father was manufacturers, both followed the occupation of the father straight away. The mobility from farmer to white color employees to manufacturer is also significant along with blue color to white color to entrepreneurs, business to business to entrepreneurs and business to industry to industry. The 50% of mentioned mobility (1 to 1) is found in farming to farming to industry, farming to industry to industry, landlord to business, landlord to industry, white color employee to white color employee to industry, white color to business to industry, blue color to business to industry. It is also apparent that the mobility follows the flows of attachment to industry. We can also assume that the occupational flows might be happened farming to white color to business to industry. The majority of the flows follow that flow. There are no backward move like farming to blue color, landlord to blue color, landlord to white color, white color to blue color, business to blue, white, or farming and industry to blue, white color, or farming. That is the flow of independent thinking happens in the occupational mobility.

Location Mobility: Entrepreneurs move from location to location for better experience. Several factors influence their location mobility. To get the insights from entrepreneurs' location

mobility, it is important to study the factors of their location mobility.

From this table 3, it is apparent that proximity to market is the most important reason for location mobility of the entrepreneurs. It is ranked highest with a proportion of 0.26. In the food processing industry, the comparatively affluent people of Sylhet has a better consumption rate than other districts. So the entrepreneurs of Chittagong came here to get those consumers in their touch. Modhuban, Bonoful, Fulkoli, Pran and other established entrepreneurs of Chittagong and Dhaka came here to do the business. The only pharmaceutical Silco Pharmaceutical started their operation with many doctors as their partner of other districts to do the business targeted the patients of that region who are more health conscious, so the drug consumption rate is also higher. The laundry soap making production units also targeted the people of that region. The tire retreading production unit's targeted customers are the owners of automobiles of that region. The printing and packaging companies' targeted customers are the food and chemical and other industries of that region. A major portion of foam industries' customers are residing at the Sylhet region. The nail industries targeted the customers of that area. The need of family is the second important factor for entrepreneurial mobility. As the overall socio-economic condition of Sylhet division is comparatively better, many parents select the educational institutions for their kids' education. Similarly many doctors and lawyers of other districts are practicing here for better prospects. The other family members of the students, teachers, doctors, lawyers and other professionals selected that place as their residing place, so naturally they select that place for their enterprises.

The available utilities are considered as third important factor for entrepreneurs' location mobility. The electricity, gas, water connection in that division is less hazardous in that division. Specially, the gas connection that is not available in many parts of the country is available here. The industry which mostly depends on gas selected that area for their enterprise. The food processing industry, the chemical industry and the ceramic industry give the highest importance to that factor as they consume more gas for its cheaper rate for their

outputs. The socio political factor and infrastructure are considered by the entrepreneurs as the fourth and fifth factor of importance for their location mobility. No industrial units considered the availability of raw materials, labor and incentives as their reason for mobility.

RESULTS AND DISCUSSION

From the findings of the study it can be concluded that the inter generation mobility of entrepreneurship follows the flows in independence in occupation. That is, it is more usual to change the occupation to industry from business or farming. The changing of occupation from white color employee to industry is due to

expertise and experience in specific industry (table 1). The intra generation occupational mobility follows the same flow and it is more frequent in the case of business to entrepreneurship, than farming or white color employee to entrepreneurship (table 2). So the entrepreneurship development programs should be oriented to those classes for effective result. Though the unemployed persons' mobility to industrialist is not so frequent because of uncertainty and risk in entrepreneurship, this class can be targeted to increase the entrepreneurial base in the country. If the proper encouragement can be given to them by training or other means, it can increase the motivation that ultimately increases the entrepreneurial bases.

Table 1: Entrepreneurs' immediate occupational background

Occupation	No. Of Entrepreneurs	Percent
1. Agriculturist	3	15
2. Merchants	11	55
3. White color employee	3	10
4. Blue color employee	1	15
5. Unemployed	2	5
Total	20	100

(Source: Field Survey conducted on Sep. 2011-Nov. 2011)

Table 2: Occupation of entrepreneurs and his father

Fathers' Occupation	Grandfathers' occupation							Total
	Farming	Landlord	White Color employee	Blue Color Employee	Business	Industry	Un-employed	
1.Farming	1							1
2.Landlord								
3. White color employee	2		1	1				4
4. Blue color employee				1				1
5. Business	2	1	1	1	2		1	8
6.Industry	1	1			2	2		6
7.Unemployed (Unpaid family worker)								0
Total	6	2	2	3	4	2	1	20
Percent	25	15	10	20	15	10	5	100

(Source: Field Survey conducted on Sep. 2011-Nov. 2011)

Table 3: Factors of selected entrepreneurs' location mobility

	No. of entrepreneurs			Weighted value	Proportion	Rank
	No1(point 3)	No2(point 2)	No3(point 1)			
Availability of raw materials	0	0	0	0	0.00	
Infrastructure	2	2	3	13	0.11	5
Labor	0	0	0	0	0.00	
Proximity to market	5	5	6	31	0.26	1
Facilities	2	2	1	11	0.09	
Utilities	4	2	4	20	0.17	3
Financial incentives	0	0	0	0	0.00	
Knowledge & experience	0	3	2	8	0.07	6
Socio-political Environment	2	2	1	11	0.09	4
Need of family	5	4	3	26	0.22	2
Total	20	20	20	120	1.00	

(Source: Field Survey conducted on Sep. 2011-Nov. 2011)

The location mobility is based on the factors of entrepreneurships like proximity to industry, raw materials, labor, nearness to home, socio-political situation, facilities, utilities, infrastructure and knowledge and experience etc. The most significant factors for location mobility among the entrepreneurs of Sylhet districts are found as proximity to market (26%), the need of family (22%), and utility as (17%) (table 3). So the highlighting factors of that region are the proximity to market, and availability of utilities. The concerning authorities should consider those factor in planning, motivating and marketing the industrial opportunities in that region to encourage the entrepreneurship.

CONCLUSION

The study of factors of entrepreneurial mobility is essential for pinpointing the elements and techniques of entrepreneurial development program. Giving proper importance to those factors can open the ways to effectively carry out entrepreneurial development programs for specific regions. From the study of occupational mobility, the classes to be given importance in entrepreneurship can be pinpointed for effectively and similarly from the study of location mobility the factors of location

attractiveness can be rightly marked and be used by informing the prospective groups for building up the entrepreneurial bases of a region and ultimately of a country.

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