

**MOTIVATING FACTORS OF EDUCATED SELF EMPLOYED
IN KERALA - A CASE STUDY OF MULANTHURUTHY
BLOCK IN ERNAKULAM DISTRICT**

Submitted to
Kerala Research Programme on Local Level Development,
Thiruvananthapuram

REJI RAMAN

JUNE 2003

Centre for Socio-economic and Environmental Studies
Prasanthi Road, Palarivattom, Kochi 682025.
Tel: 345306, 533145, Fax : 91 484 533145. Email: csesind@md4.vsnl.net.in

ACKNOWLEDGEMENTS

I place my sincere thanks to Dr. K Narayanan Nair, Programme Coordinator, Kerala Research Programme on Local Level Development, for awarding the project and supporting me throughout the study. I am thankful to Dr. Martin Patrick, Department of Economics, Cochin University of Science & Technology, for all the help and guidance he gave me throughout the project. I thank Dr K K George, Chairman, CSES, Kochi for his valuable guidance.

I would like to thank the entrepreneurs in Mulanthuruthy Block who spared their valuable time by responding to our repeated queries. I am grateful to my colleagues Dr. N Ajithkumar, Krishnakumar K K, Anadakuttan B Unnithan and Thankachan Thomas for their timely help during the course of the project. I also thank Mr Jayan K.M, Mr Madhukuttan and Mr Manoj Mathew who helped me in the data collection. I am grateful to the staff of KRPLLD who extended all help during the project period. I also place my sincere thanks to Ms Rajashree R and Ms Saritha Panicker who helped me in data entry and word processing operations.

LIST OF TABLES

PAGE

Table 2. 1	Age of the Entrepreneurs at the time of starting the Enterprise	14
Table 2. 2	Educational qualification of the entrepreneurs	15
Table 2. 3	Percentage of Marks Obtained by the Entrepreneurs in SSLC	15
Table 2. 4	Educational Qualification of the Spouse	16
Table 2. 5	Previous Employment Background of the Entrepreneurs	17
Table 2. 6	Type of units and the average investment incurred	18
Table 2. 7	Performance of Different Types of Units	20
Table 2. 8	Investment and Performance of Enterprises	21
Table 2. 9	Age of the entrepreneur/ enterprise and the performance of the units	22
Table 2.10	Performance of the Units according to Education of the Entrepreneur	23
Table 2.11	Previous Employment / Prior Business Experience and Performance	24
Table 2.12	Gender classification of the type of industries	25
Table 2.13	Investment Distribution according to Gender	26
Table 2.14	Entry of women into entrepreneurship	27
Table 2.15	Educational Qualification of the Entrepreneurs	28
Table 2.16	Rating of performance by the entrepreneurs	29
Table 2.17	Factors that Supported Business Growth	30
Table 2.18	Factors that hindered business growth	30
Table 3.1	Prime Motivators of Entrepreneurship	34
Table 3. 2	Motives of the Entrepreneur	35
Table 3. 3	Compelling Factors Leading to Entrepreneurship	36
Table 3. 4	Factors Facilitating Entrepreneurship	38
Table 3. 5	Opportunity Factors which led to Entrepreneurship	39
Table 3. 6	Average Scores on Motivating Factors according to Gender	40
Table 3. 7	Average Scores on Motivating Factors according to Age of Entry into Entrepreneurship	42
Table 3. 8	Average Scores Motivating Factors according to Education of the Entrepreneur	43
Table 3. 9	Average Scores on Motivating Factors of First and Second Generation Entrepreneurs	45

PAGE

Table 3.10	Average Scores Motivating Factors according to Investment	47
Table 4. 1	Summary of Scores on Entrepreneurial Competencies	55
Table 4. 2	Factor Loadings of Competency Variables	56
Table 4. 3	Rotated Component Matrix	57
Table 4. 4	Results of the t-test on factor scores between profit making and loss making units	59

Abstract

The present study examined entrepreneurship in the context of rural Kerala. The study is based on the data collected from a sample of 100 entrepreneurs in Mulanthuruthy block in Ernakulam district. Detailed case studies of a sub sample of 12 entrepreneurs were also undertaken to unravel the making of these entrepreneurs. In general, entrepreneurs belonging to rural areas are not very highly educated. The scale of investment is small, barring some exceptional cases. In majority of the cases, people became entrepreneurs at a relatively young age. But entrepreneurship was not their first career and they are mostly first generation entrepreneurs.

The success or failure of the enterprise seems to be more of an offshoot of individual talents and not necessarily shaped by the entrepreneur's economic, personal, social and educational background. The study finds that though women entrepreneurs are slightly disadvantaged due to their background, their performance is slightly better off than that of the male entrepreneurs. It is also found that women's entry into entrepreneurship is not driven by negative circumstances like husband's unemployment.

The present study, sought to understand what motivated educated people to start enterprises as against the common pattern of seeking employment. It is found that the prime motivators are the entrepreneurs themselves. They had the urge to start a business on their own. The entrepreneurs start these ventures primarily to support their family as well as to fulfill their ambition of being on their own. Compelling factors such as unemployment and job dissatisfaction were not considered important. However, both these compelling factors were considered to be relatively more important by the entrepreneurs making loss than successful entrepreneurs. It implies that, people who are compelled to become entrepreneurs are likely to face losses in the endeavours. Opportunity factors such as having good trade information also had only limited influence in motivating the entrepreneurs since it is likely that access to information is comparatively difficult in rural areas. Education was not considered to be a major factor. It is likely that the educational system in the State has not given sufficient orientation for developing entrepreneurship capabilities.

The study examined the underlying competencies of the entrepreneur, which are primarily classified into two factors. The first factor, which is indicative of the behavioral style of the individual in dealing with situations, is termed as the approach factor. An orientation to efficiency, persistence, attention to problem solving, information seeking, systematic planning, commitment to work and persuasion falls under this category. The second category, which is termed as the personality factor, is a combination of initiative and self-confidence. This is something, which comes from within the individual, which makes him/her do

certain things, which others may not. It was found that the influence of the 'approach factor' on the entrepreneurial performance was much higher than that of the personality factor. This implies that better orientation towards entrepreneurship in the educational curriculum as well as the training programmes are required to strengthen the entrepreneurship in rural areas.

CHAPTER I INTRODUCTION

Human beings have been enterprising since the dawn of history. Entrepreneurs are persons who initiate, organize, manage and control the affairs of business units, in order to supply goods and services. They provide the dynamic force in the economic life of a society. The development of the right kind of entrepreneurship is one of the challenges in a developing country like India.

The economist Joseph Schumpeter¹, who put forward the famous “innovation theory of entrepreneurship”, regards the entrepreneur as one who, through new combinations of the means of production, carries out several functions such as the introduction of new goods, introduction of new production methods and the opening of new markets. For Schumpeter, entrepreneurship is essentially a ‘creative activity’. It is a phenomenon that comes under the wider aspect of leadership. The entrepreneur in Schumpeter’s conception possesses three qualities, namely: (a) an instinctive capacity to see things as they are; (b) the effort of will and mind to overcome fixed attitudes of thinking; and (c) the capacity to surmount social opposition to doing something new.

Functions of the entrepreneur

Modern writers on entrepreneurship outline broadly three functions of the entrepreneur:

1. Innovation

¹ Schumpeter, Joseph, “The Theory of Economic Development”, Harvard University Press, Massachusetts, 1951

2. Risk-taking and
3. Organisation and management of business so as to have leadership and control over it.

The Earnst & Young Entrepreneurship Survey in 1998 summed up the necessary characteristics of an entrepreneur. These include the entrepreneur's ability to recognize and take advantages of opportunities, his/her resourcefulness, creativity, independent thinking, risk taking and hard working abilities, optimistic nature, innovativeness, visionary capabilities and leadership qualities.

In the Kerala context, the many complexities involved in pursuing an entrepreneurial career and the problems faced by existing entrepreneurs demotivate and discourage the unemployed from taking up entrepreneurial careers.

They prefer wage/salary employment to entrepreneurship. There is a common belief that 'all business is risky', and there is considerable truth in this belief. The entrepreneur has to choose from among several possible alternatives in performing his//her task successfully. If his/her planning or estimation about the future were to go wrong he/she will face problems.

In developing entrepreneurship, we are faced with individual, group and institutional problems. Ultimately it rests on the individual because it is he/she who has to take the initiative, to take the decision to start and manage his enterprise. But he/she also needs the approval and support of his kin, group or community.

Perspectives on entrepreneurship

Social scientists have developed different perspectives on entrepreneurship. Some hold the view that psychological drives for pecuniary gain are present in all societies. But what really matters is the economic environment. The right economic conditions are necessary for the emergence of entrepreneurs. Some explain entrepreneurship in the context of a broad political economy paradigm. For instance, Flavia Derossi² holds political power as the main factor in entrepreneurial development in industrializing countries. In this view access to the sources of power is the determining factor of private entrepreneurship. Yet another perspective looks at the issue of entrepreneurship from a sociological point of view. This perspective, the theory of entrepreneurial supply,³ as elaborated by Thomas Cochran, emphasizes cultural values, role expectations, and social sanctions. The entrepreneur in some societies, represents a model personality and the individual's performance as a business person is influenced by three factors: his/her own attitudes towards his/her occupation, the role expectations of sanctioning groups, and the operational requirements of the job. According to this view, society's expectations are the most important determinants.

Studies on Indian Entrepreneurship: A Brief Sketch

Since entrepreneurship as an academic discipline is in the process of evolution, it still lacks a coherent theoretical foundation. This appears to be one of the reasons for the absence of adequate studies on the various facets of entrepreneurship in India. A survey of the literature on entrepreneurship in India shows that the available studies can broadly be classified under the following areas:

- 1) The conceptual and theoretical issues in entrepreneurship

² Flavia, Derossi, "The Mexican Entrepreneur", Development Centre of the Organisation for Economic Co-operation and Development, Paris, 1971.

³ Cochran, T.C., "The Entrepreneur in Economic Change", *Explorations in Entrepreneurial History*, Vol.3, No.1, Fall 1965.

- 2) The entrepreneurship traditions of particular communities/ castes and occupational groups.
- 3) The personal, socio- economic and educational backgrounds of entrepreneurs
- 4) The factors that contribute to entrepreneurial development.

The major contributions in the first category are made by Tripathi (1985), Ray and Ramachandran (1996), Ramachandran and Ray (1998). Tripathi (1985) traces the evolution of entrepreneurship as an intellectual discipline and attempts to provide conceptual clarity by analyzing the theoretical contributions of various scholars. Ray and Ramachandran (1996) survey the various theoretical views on entrepreneurship and attempt to put forward a conceptual framework for a comprehensive theory of entrepreneurship. Ramachandran and Ray (1998) is a refinement and extension of Ray and Ramachandran (1996). Here the authors analyse the phenomenon of entrepreneurship and propose a typology based on the outcome of entrepreneurial ventures. Akbar (1993) attempts to trace the roots of ideology, environment and entrepreneurship in early Islamic societies as revealed by Islamic texts and history. The contributions of Balakrishnan et al (1998), Dana (1998), Kumar (1998) and Hartwick (1998) also deal with the various conceptual and theoretical issues of entrepreneurship.

Studies on business communities and castes have a special place in entrepreneurship theory. Cross – cultural studies have indicated that for historical and sociological reasons, certain communities, castes and occupational groups are quicker in responding to the opportunities for entrepreneurship. In India, a few studies falling under this category have been undertaken. Some of the noteworthy contributions in this area have been made by Hein (1997), Ramaswamy (1984), Guha (1984), and Nath (2000).

Hein (1997) presents a history of Gujarati entrepreneurship from a historical and sociological point of view. He observes that certain communities and castes were more favourably placed than others in exploiting economic opportunities. He suggests that Gujarati entrepreneurship owes its success to the largely exploitative conditions of workers in the state. The state, which has been protective and supportive of entrepreneurship, has been less caring of the working class.

Ramaswamy (1984) analyses the entrepreneurship of tanners in the South Arcot district of Tamil Nadu. The prejudice among Hindus against the handling of dead animal skins is found to be the factor behind the concentration of Muslims in the leather processing industry. However, their entrepreneurial performance is found to be adversely affected by their unwillingness to borrow from banks since Islam prohibits the practice of lending or borrowing on interest. Guha (1984) traces the migration of Parsis from rural/ agricultural areas to urban/ industrial settings during the 17th and 18th centuries. It is suggested that the cultural and religious values of Parsis contribute to their entrepreneurship. The opportunities for enterprise during the colonial period facilitated their entrepreneurial success.

Nath (2000) attempts a survey of entrepreneurship in India by caste and region. He observes that in most of the regions, it is not local communities that have entered into entrepreneurial pursuits. While traditional business communities like the Marwaris, Gujaratis and Sindhis have established industrial ventures in almost all parts of the country, only in rare cases have local communities emerged as entrepreneurs. He emphasizes the need for fostering indigenous entrepreneurship as a way of achieving faster economic growth in some of the North Indian States like Bihar, Uttar Pradesh and Madhya Pradesh.

There are several studies on the personal, socio- economic and educational backgrounds of entrepreneurs. Though these studies provide rare insights into the making of entrepreneurs in the Indian context, they do not permit us to make

generalizations about Indian entrepreneurship. Some of the major contributions falling under this category have been made by Manimekalei and Abdullah (1998), Thangamuthu and Iyyampillai (1983) and Anna (1990).

The literature on entrepreneurship development is fairly prolific in India, thanks to the establishment of several institutions for research and training in entrepreneurship development. The basic premise of entrepreneurship development is that entrepreneurship need not necessarily be an inborn trait. It is possible to identify individuals with 'latent entrepreneurial traits' through the application of certain behavioural tools and techniques which can be imparted through specially designed training courses known as Entrepreneurship Development Programmes (EDPs). Some of the major themes in this literature deal with the conceptual and theoretical aspects related to entrepreneurship development and the evaluation of the effectiveness of Entrepreneurship Development Programmes. We briefly survey some of the major contributions.

Orza (1988) discusses the major assumptions of Entrepreneurship Development Programmes (EDPs) and its rationale in the context of India. After a brief overview of the history of the EDP movement in India and its contribution to developing small-scale industries, he puts forward a methodology for the evaluation of EDPs. Aswathi and Sebastian (1994) is the first in depth – evaluation of EDPs in India. They have selected EDPs from major Indian states and analysed the success rate in terms of the number of enterprises launched and the financial performance of trained entrepreneurs. The evaluation study appears to be comprehensive, considering the coverage of the study and the methodology adopted. This study also analyses the weakness of the EDP movement in India and puts forward several suggestions for its improvement. Prem (1995) and

Sharma (1998) are the two major contributions related to the evaluation of EDPs. Conceptual and methodological issues about EDPs have been discussed by Patel (1991), Singh (1989), Deshpande (1985), Azad (1988) and Chakravarthi (1987).

Studies on entrepreneurship in Kerala

Since Kerala lacks in entrepreneurial resources, studies on entrepreneurship are few and far-in-between. An early attempt in this direction was made by Oomen (1981). He studied a group of entrepreneurs who chose to relocate their small scale units from Trichur district in Kerala to the neighbouring states of Tamilnadu and Karnataka. He arrived at the conclusion that the high cost of production, hostile labour relations and low labour productivity are the major factors that prompted entrepreneurs to relocate their units.

Venkateswaran (1990) makes an attempt to study the socio- economic background of entrepreneurs in Kerala. Based on a sample of 140 entrepreneurs, his study brings out several interesting facts about entrepreneurship in Kerala. A majority of the entrepreneurs hail from “middle castes” such as the Ezhavas and Nairs. The age profile of the sample entrepreneurs (except Muslims) suggests late entry into entrepreneurial careers. This suggests that they had explored the possibilities of getting employment before starting their ventures. The educational background of entrepreneurs is not found to have too much bearing on their entrepreneurial pursuits whereas previous experience in the same product line was found to influence their performance.

Nair et. al (1998) is by far the largest survey-based study on entrepreneurship in Kerala. Based on a field survey involving 300 rural entrepreneurs in Kerala, the study found that in the particular context of Kerala, contextual circumstances play a dominant role in facilitating entrepreneurship. The institutions created to support the growth of small-scale industries suffer from complex, cumbersome and bureaucratic practices and cause many problems for entrepreneurs. The study identified the following set of problems:

- 1) complex procedures
- 2) hierarchy
- 3) role conflicts between agencies
- 4) lack of accountability
- 5) arbitrariness
- 6) information gaps

The study observed that the support system created for nurturing the creation of enterprises and their growth have become major stumbling blocks for potential entrepreneurs.

There are two studies on women entrepreneurs in Kerala. The paper by Ratna Ghosh et.al (1998) presents the finding of the project “ Management Development Skills for Rural Enterprises: A Field Investigation” undertaken by the Centre for Management Development, Thiruvananthapuram in collaboration with Mc Gill University in Montreal, Canada. Based on quantitative as well as qualitative data obtained from 73 women entrepreneurs, the findings of the study suggest that women in Kerala are capable of taking risk and can successfully resolve work – home conflicts that are typical of women entrepreneurs, workers and professionals. However, they require a lot of motivational support from family and friends. Besides imparting institutional training, there is a need for developing

“how to” manuals which can provide information and guidance for starting and managing an enterprise.

The second study by Beegam and Sarngadharan (1998) analyses the various facets of women entrepreneurship in Kerala, particularly their personal, socio- economic background and the problems they encounter in the process of launching and running their units.

The Research Problem

Among the states in India, the level of self-employment in the rural sector is one of the lowest in Kerala and this provides a partial explanation for the growing educated unemployment in the State. Owing to a shift in favour of non-farm occupations within the rural sector, there is a marginal increase in the proportion of self-employed persons in the rural area. For the urban sector, the proportion of self-employed increased in Kerala over the years and has exceeded the national average. But it has not been adequate to meet the demand for employment.

Though the attitude of the educated towards self-employment in sectors such as trade, transport and communication is improving, there does not seem to be much of a change in their attitude towards self-employment of a productive nature. This is unlike other states like Gujarat and Punjab, where relatively larger numbers of youngsters take up self-employment in the productive sector. Many observers advance the ‘white-collar hypothesis’ to explain the low levels of self-employment in Kerala. According to this hypothesis, young people in Kerala have an in-built preference for steady, secure jobs preferably white-collar ones. While this hypothesis may contain some plausibility, it may not be adequate to fully explain the reluctance of Kerala’s educated to start self-employment ventures. It is quite

possible that the preference for white-collar employment may be a result of other environmental factors rather than the cause of the problem. It is quite likely that there are many social, cultural, educational and economic factors that determine the attitude of the educated towards self-employment.

The foregoing review of literature shows that there are only few studies on rural entrepreneurship in Kerala. It is in this context that the present study, undertaken in a rural block panchayat, gains relevance. The study examines the profile of the entrepreneurs and looks at the factors that contribute towards the making of entrepreneurs and towards entrepreneurial development in a rural setting.

Research Questions

The key focus of the study is on the motivational factors which may have influenced the respondents to become entrepreneurs. These motivational factors may be influenced by the background from which the entrepreneurs had come or might even be independent of them. In our study, we identified **25** motivational factors and asked the entrepreneurs to indicate the relative importance of each of these factors in motivating him/her. Factors like family, social, economic, educational and previous employment backgrounds are likely to have influenced the starting of ventures. Further the study looks at the various competencies of these entrepreneurs. Competency in this context is defined as the underlying character of an individual that is related to a person's performance in a job or in a situation. This assumes that the entrepreneur's competencies have a major role in determining the success or failure of the enterprise.

Methodology

The study employed a primary survey among a sample of entrepreneurs and a case study of selected sub-sample of entrepreneurs. The primary survey was conducted among 100 entrepreneurs in the study area of Mulanthuruthy Block in Ernakulam District. The District of Ernakulam has the highest number of industrial units, small, medium and large scale, in Kerala. Mulanthuruthy Block is spread over 118.38 sq. km and has a population of 1,21,720 living in 25,194 households.

Initially, the list of industrial units in the study area registered with the Taluk Industries Office was collected. The list, not being updated regularly, contained even names of units which stopped functioning long time back. Also, it contained units which were temporarily registered but did not take off. Thus it was revealed that the list available with the Taluk Industries Office was unreliable. Secondly, we approached the Grama panchayat offices in the block, for the details of the units that pay annual license fees to the panchayats. But it soon turned out that there were many who did not pay the license fees regularly and the panchayats had no system of monitoring the collection of license fees. In this situation, we were compelled to conduct a census of small industrial units on our own with the help of panchayat officials and the ward members. The number of units in the block, based on the information collected by our research team totaled 337. Of these, 71 units were found to be established by entrepreneurs with educational levels below SSLC. Since the target respondents of our survey were educated self-employed, (defined as those with SSLC qualification and above), these 71 units were excluded. Thus the number of units from which our sample was selected came to 266. Out of these 100 units were selected randomly for the survey.

Primary survey was conducted among the 100 entrepreneurs using a pre-tested semi-structured schedule. After completing the primary survey, a sub-sample of 12 entrepreneurs was selected from this sample for detailed case studies. These case-studies were meant to illuminate the processes involved in the making of these entrepreneurs. These case studies also give an account of the diversity of the socio-economic background and lines of business activity among these entrepreneurs. The entrepreneurial competencies were assessed using a self-administered questionnaire. This instrument for measuring entrepreneurial competencies, had been developed by the Entrepreneur Development Institute of India, Ahmedabad for their training Programmes. The questionnaire with 70 questions is meant to bring out the various competencies that influence the decision of entrepreneurs to start self-employment ventures.

Limitations of the Study

There are probably two limitations of the study. The first one is that the census of industrial units conducted with the help of panchayat officials and ward members may not be comprehensive. It is likely that some of the unregistered units may have been overlooked. Since the sampling is not stratified, it may not be fully representative of the various kinds of units in the Mulanthuruthy Block. Another limitation is that the population of units in each industrial group was small. Despite these limitations, the study may shed some light on the dynamics of entrepreneurship in a specific context in rural Kerala.

Potential Relevance

This study may help the government and other development agencies to be aware of the range of factors that influence entrepreneurs, make appropriate policy decisions and better target their Entrepreneurship Development Programmes.

CHAPTER II

PROFILE OF ENTREPRENEURS AND ENTERPRISES

In this chapter, we examine the general profile of rural entrepreneurs and the enterprises in our sample. The profile of the entrepreneurs and the enterprises have been framed on the basis of the data collected through a primary survey among 100 entrepreneurs in Mulanthuruthy Block in Ernakulam district. The profile of the entrepreneurs covers their social, economic and educational backgrounds, previous employment etc. It is likely that these factors have influenced the setting up of their enterprises. It is expected that an understanding of the profile of the entrepreneurs may help in gaining insights into the making of the entrepreneurs. The nature of enterprises and their performance also have been examined in this chapter. In addition, the possible relationships of some of these factors with the performance of the enterprises were also explored. The characteristics of women entrepreneurs in the sample also have been examined to determine whether there were any noteworthy particularities in their background, which have influenced their entry in the first place, and their entrepreneurial performance later on.

Profile of the Entrepreneurs

The study found that rural self-employment is still a male dominated terrain. Only 17 out of the 100 entrepreneurs were women. There were an almost equal number of Christians (50) and Hindus (49) in our sample. Because of the small size of the Muslim population in the region, there was only one Muslim entrepreneur in the

sample. Sixty entrepreneurs were married at the time of starting their enterprises and given the fact that most of these entrepreneurs were the sole earners in the family, much of the financial responsibilities of their families fall single-handedly on these entrepreneurs.

Though as many as 72 entrepreneurs are presently aged 35 years or above, more than half of them started their first enterprise before attaining the age of 30 (see Table 2.1). The average age of the entrepreneurs at the time of starting the enterprise was 30.

Table 2.1:Age of the Entrepreneurs at the time of starting the Enterprise

Age Group	Total
< = 20	10
21- 25	20
26-30	26
31-35	25
36-40	11
41-45	3
>45	5
Total	100
Average Age (Median)	30

Although these results cannot be generalized since these are specific to the sample, it does not agree with the findings of some of the earlier studies which have suggested that the entry into entrepreneurship in Kerala is likely to be in the early

thirties (Venkiteshwaran (1990) and Mathew (1997)). Perhaps, the rural entrepreneurs start their enterprises much early.

Since the study pertains to educated self-employed, only those who have passed their SSLC examination have been included. The educational achievements of these rural entrepreneurs are not very high. (See Table 2.2).

Table 2.2: Educational qualification of the entrepreneurs

Educational qualification	No. of Entrepreneurs	Average Investment per entrepreneur (Rs)
General Education		
SSLC/Plus 2	56	362917
Degree and above	18	883444
Technical Education	26	394759
Total	100	350876

It may be noted from the above table that only one fourth of the entrepreneurs have had technical training mostly ITI. Of the 74 entrepreneurs who had general educational qualifications, only 18 had graduation or higher levels of qualification. In general, the investment made by the entrepreneurs seems to increase as the educational qualifications become higher. The study also found that, in general, the academic performance of these entrepreneurs is not very high. For instance, 70 entrepreneurs completed SSLC in third class. Just 5 of the 100 entrepreneurs included in the study passed SSLC in first class (see Table 2.3).

Table 2.3:Percentage of Marks Obtained by the Entrepreneurs in SSLC

Percentage of Marks	No. of Entrepreneurs
35 – 49	70
50-59	20
60&above	5
Not revealed	5

All the entrepreneurs had their schooling in Malayalam medium in the local schools. An examination of the educational background of the parents of entrepreneurs revealed that the parents, in general, were less educated than the entrepreneurs. For instance, the fathers of 66 entrepreneurs did not matriculate. Mothers of 61 entrepreneurs also could not complete their matriculation. However, the educational qualifications of the spouses were comparable to those of the entrepreneurs (See Table 2.4). Most of them (86) had education above matriculation.

Table 2.4: Educational Qualification of the Spouse

Course	No.
Below SSLC	26
ITC	5
SSLC	28
PDC	13
DC	18
PG	6
Professional	2
Others	2
Total	100

For most of the entrepreneurs, the present venture is their first venture. But about one third (32) of the entrepreneurs had started ventures prior to starting the present venture. Of these, 24 entrepreneurs are running their present venture despite having burnt their fingers in their earlier ventures. Though majority of the entrepreneurs manages a single firm, nearly one fourth of them (23 entrepreneurs) manage more than one firm. Twelve entrepreneurs were running firms which were inherited.

Table 2.5: Previous Employment Background of the Entrepreneurs

Particulars	No.
Government Job	8
Private Company	48
Shops / Workshops	8
Family Business	2
Abroad	2
Agriculture	1
Others	8
Not previously employed	27
Total	100

A vast majority of the entrepreneurs had previous experience. Only one fourth of the entrepreneurs started the enterprise with out any prior work experience. Of the 100 entrepreneurs included in the study, 83 are first generation entrepreneurs. Thus, the rural entrepreneurs in the study area are mostly first generation entrepreneurs.

Profile of the enterprises

A vast majority (85) of the firms are proprietary concerns. Of the remaining, all except a private limited company were partnership firms. Expectedly, the partnership firms invested more than proprietary firms. The average investment of proprietary firms in the sample was Rs. 2,94,884 as against an average of Rs.

10,45,654 for partnership firms. The capital investment of the only private limited company in the sample, which is into manufacturing plastic products, was Rs. 70 lakhs. Similarly, the average number of employees in proprietary firms was the lowest at 3.8 when compared to 11.3 in partnership firms. The private limited company in the sample employed 22 people. All the furniture units, jewellery units and handicraft units were proprietary concerns.

Of the 100 units surveyed, 40 units were started in the last 5 years, another 29 were started 6-10 years back, and 31 units had been functioning for more than 10 years. A variety of enterprises were covered under our survey. Table 2.6 summarizes the type of enterprise and the average investment under each type of enterprise.

Table 2.6 Type of units and the average investment incurred

Type of unit	Number of units	Average investment incurred
Furniture	17	1,26,000
Food Products	15	2,46,107
Cement Products	8	3,65,000
Engineering equipments	10	2,91,875
Printing	6	2,97,000
Electricals	9	1,59,857
Jewellery	6	34,000
Readymade	5	40,000
Plastic*	4	26,83,333
Saw mill*	3	11,07,333
Handicrafts	3	1,10,667
Others	14	3,88,900
Total	100	350,876

Furniture units, engineering and electrical units and the units manufacturing food products together contributed about half the number of units in the area. Units manufacturing plastic products and saw mills had the highest level of investment. Readymade garments and jewellery units had the lowest levels of investment. More than three fourth (77) of the firms had investment of less than Rs. five lakhs, indicating the tiny nature of the enterprises in the rural sector. This investment is primarily raised through external assistance and a majority of them (63) had received loans from banks. Only 11 units function solely on promoter's contribution.

It was observed that most of these industries were not making use of the primary base of their economy, which involves the production of agricultural crops like rubber, rice, coconut, banana, vegetables and pepper. This indicates that the linkage between the primary and the secondary sectors of the local economy is weak. It also indicates that the firms are not necessarily driven by the availability of local resources.

The selection of the type of enterprise is one of the crucial decisions taken by the entrepreneurs before starting the enterprise. We examined the factors, which influence the selection of the enterprise. It is likely that the selection of the enterprise is influenced by the previous experience of the entrepreneurs, their parents or relatives in the same or related industries. Nearly half of the entrepreneurs (47) had some experience in the same or related areas prior to becoming an entrepreneur. Thirty five entrepreneurs reported that their parents or relatives were employed or engaged in business in areas related to the business of the respondent. It is also important to note that 62 of the 100 entrepreneurs selected for the study reported either they themselves or their parents or relatives had prior relevant experience by way of being employed in firms of similar nature or by running business on their own in a related field. Thus, it appears that the

rural entrepreneurs in the study area decide on the type of industry largely based on their own experience or the experience of their parents or relatives. We further examined whether there was any significant relation between the kind of education acquired and the type of firms which were started. It is reasonable to expect that those who have technical qualifications are running firms, which demand technical expertise. We found that a majority of the ITC educated youngsters had started technical enterprises. This is a positive aspect, in that the expertise acquired through education is being put to use.

Performance of the units

We have already found that most of the enterprises included in the study are tiny. Often, these enterprises did not follow any proper accounting system. The assessment of profits and losses was made difficult by the fact that the figures reported by the entrepreneurs were mostly unreliable. Hence, the entrepreneur's assessment of whether the enterprise was running at profit or loss was taken as the main criterion for understanding the performance of the units. It is likely that some of the entrepreneurs have not included their wages in their assessment despite our best efforts. More than three fourth (78) of the entrepreneurs reported that they were running profit making units.

The performance of the units might be influenced by factors which are specific to the entrepreneur and which are outside the control of the entrepreneur. In this section, we examine how far the success or failure of the firms is related to factors like the type of industry, investment made, socio-economic background of the entrepreneur etc.

Table 2.7: Performance of Different Types of Units

Type of unit	Number of Units	
	Profit making	Loss making
Furniture	14 (82)	3 (18)
Food Products	14 (93)	1 (7)
Cement Products	5 (63)	3 (37)
Engineering	9 (90)	1 (10)

equipments/services		
Printing	2 (33)	4 (67)
Electricals	5 (56)	4 (44)
Jewellery	6 (100)	0 (0)
Readymade	3 (60)	2 (40)
Plastic*	2 (50)	2 (50)
Saw mill*	2 (67)	1 (33)
Handicrafts	2 (67)	1 (33)
Others	14 (100)	0 (0)
Total	78 (78)	22(22)

Note: Figures in parenthesis are percentage shares of each group. Since the sample contains only few units under each category, the percentages are provided just to provide an indication of the general trend.

Of the 100 units in the sample, 78 were units making profit. All the jewellery units and almost all the units producing food products and engineering equipments are running at profit. In the case of all other types of units except printing units the proportion of profit making units is in the range of 50-75%. Of the six printing units, only two were running at profit.

Amount of investment and Performance

The amount of investment is likely to influence the efficiency of firms and their performance. On the one hand, low levels of investment may not give any scope for innovations, market expansion etc, while on the other, the operational constraints mount up for those investing higher amounts. The level of investment and the performance of units in our sample are given in Table 2.8

Table 2.8 Investment and Performance of Enterprises

Amount of investment (in Rs.)	Number of Units	
	Profit making	Loss making
< 1 lakh	33 (81)	8 (19)
1-5 lakh	24 (77)	7 (23)
5-10 lakh	12 (86)	2 (14)
>10 lakh	6 (75)	2 (25)

Note 1: Six entrepreneurs did not disclose their investment details.
 2: The figures in parentheses indicate share of profit and loss making firms under each level of investment.

It may be observed from the above table that the proportion of profit making firms does not significantly differ across investment levels. This may imply that in the context of rural entrepreneurship, the level of investment is not necessarily an important factor in deciding whether a firm is profit making or not. But while drawing conclusions based on these figures, one should bear in mind that the actual amount of profit may vary according to the level of investment, an aspect that we could not explore in the present study.

Age of the entrepreneur/ enterprise and the performance of the units

We have tried to see whether the entrepreneur's age, the age of the enterprise or the entry age of entrepreneur has a bearing on the performance of the firms in Table 2.9.

Table 2.9: Age of the entrepreneur/ enterprise and the performance of the units

Particulars	Number of Units		
	Profit making	Loss making	Total
Age of the enterprise (years)			

< 5	31 (78)	9 (22)	40 (100)
6-10	24 (83)	5 (17)	29 (100)
11-15	6 (67)	3 (33)	9 (100)
>15	18 (82)	4 (18)	22 (100)
Age of the Entrepreneur			
30 years or below	13 (82)	3 (19)	16 (100)
Above 30 years	66 (79)	18 (21)	84 (100)
Age of the entrepreneur at the time of starting the enterprise			
30 or below	46 (82)	10 (18)	56 (100)
Above 30	33 (75)	11 (25)	84 (100)

Note: Figures in parenthesis are percentage shares of each group

We find that neither the age of the entrepreneur nor the age of the enterprise has any relation to the performance of the units. The proportion of profit making firms is slightly higher in the case of entrepreneurs who started their enterprises before reaching the age of 30 when compared to those who started late.

Education and Performance of the units

We have examined whether the educational background of the entrepreneur have any impact on success or failure of the entrepreneurial activity. The results are presented in Table 2.10.

Table 2.10: Performance of the Units according to Education of the Entrepreneur

Education	Number of Units		
	Profit making	Loss making	Total
Technical education	18 (69)	8 (31)	26
SSLC and Pre-Degree	47 (84)	9 (16)	56
Degree and Above	14 (78)	4 (22)	18

Non- technical education-Total	61 (82)	8 (31)	69
--------------------------------	---------	--------	----

Note: Figures in parenthesis are percentage shares of each group

It is surprising to note that the technically qualified entrepreneur group had a lower success rate compared to others. It may be observed from the above table that the proportion of entrepreneurs making a profit is slightly higher in the case of those with lower levels of educational qualification (up to Pre Degree) than those with higher levels of education or technical qualification. The table indicates that technical education or higher education does not necessarily help much in running tiny/ small enterprises in the rural areas.

Prior employment/prior business experience

Prior business or employment experience is likely to influence the performance of the units. Experience might help in facing challenges and may lead to better performance even if their employment is not in the same or related fields. But it is also likely that experienced people are less receptive to new ideas and developments, an attitude which may negatively influence performance.

Table 2.11: Previous Employment / Prior Business Experience and Performance

	Number of Units	
	Profit making	Loss making
Entrepreneur previously employed		
Yes	57 (78)	16 (22)
No	22 (81)	5 (19)
Entrepreneur is first generation entrepreneur		
Yes	14 (82)	3 (18)
No	65 (78)	18 (22)

Note: Figures in parenthesis are percentage shares of each group

The results show that previous experience through employment does not necessarily help in bringing about better performance. It is also observed that the success or failure of an enterprise is independent of whether it is run by first generation or second generation entrepreneurs.

Type of ownership and Performance

It is found that the type of ownership of the firm ie. proprietary or partnership also does not have any significant association with the profitability. In the case of both proprietary and partnership firms, 79 per cent of them was profit making and the only private limited company in the sample also was making profit.

Gender Dimension

Even today, women’s presence in the field of entrepreneurship is limited. We have seen earlier that in Mulanthuruthy block also, the male entrepreneurs far outnumber female entrepreneurs. This section examines the various characteristics of the women entrepreneurs of our sample.

The selection of the enterprises is likely to be influenced by gender specificities. Table 2.12 presents the classification of industries on the basis of gender.

Table 2.12: Gender classification of the type of industries

Type of unit	Number of Units	
	Male Entrepreneurs	Female Entrepreneurs
Furniture	17 (20)	0 (0)
Food Products	8 (10)	7 (41)
Cement Products	7 (8)	1 (6)
Engineering equipments/services	10 (12)	0 (0)
Printing	5 (6)	1 (6)

Electricals	8 (10)	1 (6)
Jewellery	6 (7)	0 (0)
Readymade	3 (4)	2 (12)
Plastic*	4 (5)	0 (0)
Saw mill*	3 (4)	0 (0)
Handicrafts	2 (2)	1 (6)
Others	10 (12)	4 (23)
Total	83 (100)	17 (100)

Since the proportion of women run units is low, all the industry groups are male dominated. However, the pattern of clustering of male and female entrepreneurs in different industries is found to be different. Women concentrate more on food products and ready-made garments industries whereas men concentrate more in furniture and engineering implements. None of the furniture, engineering, jewellery, plastic and sawmill units are run by women entrepreneurs.

A comparison of the investment shows that women run enterprises are characterized by lower levels of investment compared to those run by men (see Table 2.13). For instance, while 59 per cent of women entrepreneurs invested less than Rupees one lakh, only about one third of the male entrepreneurs belonged to this investment category. Similarly, the average investment per entrepreneur was only half of the average for men.

Table 2.13: Investment Distribution according to Gender

Investment (Rs)	Number of Units	
	Male Entrepreneurs	Female Entrepreneurs
Below one lakh	31 (37)	10 (59)
1-5 lakh	27 (33)	4 (23)
Above 5 lakh	19 (23)	3 (18)
Not revealed	6 (7)	0 (0)
Average Investment per	515260	265247

Entrepreneur (Rs)		
--------------------------	--	--

A majority of the women entrepreneurs were from the Christian community. This is similar to the findings of the general sample. But the proportion of Christian entrepreneurs among the women entrepreneurs is higher (59) than among the general population (50.0).

We have also examined whether there is any significant difference between male and female entrepreneurs on age of entry and employment and business background. The results are presented in Table 2.14.

Table 2.14: Entry of women into entrepreneurship

Particulars	Number of Units	
	Male	Female
Age at the time of Starting the Enterprise		
30 or below	50 (60)	6 (36)
Above 30	33 (40)	11 (64)
Previous employment experience		
Yes	64 (77)	9 (53)
No	19 (23)	8 (47)
Parents had business		
Yes	14 (17)	3 (18)
No	69 (83)	14 (82)
Spouse employment		
Yes	15 (18)	11 (65)
No	68 (72)	6 (35)

The spouses of a majority of these women entrepreneurs were employed. As against this, spouses of only 15 of the 83 male entrepreneurs (18 per cent) were employed. While 80 of the male entrepreneurs reported that they are the sole income earners of the family, two third of the women (11 out of 17) described

themselves as supplementary income earners of the family. On the whole we find that women's entry into this field is not propelled by their husband's unemployment.

It is found that the age of entry of the women entrepreneurs was comparatively higher than that of their male counterparts. A majority of men started their first business before reaching the age of 30, whereas a majority of the women started their first business after the age of 30. Like their male counterparts, most of the women entrepreneurs are first generation entrepreneurs. It is also important to note that while three fourth of male entrepreneurs were previously employed, nearly half of the women entrepreneurs ventured into entrepreneurship as their first career.

Table 2.15: Educational Qualification of the Entrepreneurs

Education	Number of Units		
	Male	Female	Total
Technical education	24 (29)	2 (12)	26
SSLC and Pre-Degree	45(54)	11 (65)	56
Degree and Above	14 (17)	4 (23)	18
Non- technical education-Total	59 (71)	15 (88)	74
Total	83 (100)	17 (100)	100

One peculiarity of the women entrepreneur group is the lower representation of the technically qualified people compared to the group of male entrepreneurs.

The foregoing discussion reveals that the women entrepreneurs are slightly disadvantaged in their background compared to male entrepreneurs. However, this has not deterred them from performing well in their business. In fact, the

proportion of profit making firms is slightly higher among the women entrepreneurs than men. Of the 17 female entrepreneurs in the sample, 15 (88 per cent) were making profit. As against this, only 64 of the 79 male entrepreneurs (77 per cent) were able to register profits.

It also appears that the women entrepreneurs are more confident than male entrepreneurs about the success of their enterprise in the future. The entrepreneurs were asked to score according to their own perception about they being successful or not in three time periods; before three years, at present and after three years. A ten-point scale was used for the purpose with zero for complete failure and 10 for completely successful. The Table 2.16 presents the average scores for male and female entrepreneurs.

Table 2.16: Rating of performance by the entrepreneurs

Gender	Average Score (out of 10)		
	3 years back	At present	After 3 years
Males	4.4	3.8	3.7
Females	4.7	4.9	5.4
Total	4.5	4.0	4.0

It may be observed that women are far more optimistic about their performance than men. This is perhaps a reflection of the growing confidence the women entrepreneurs acquire over time compared to men.

On the whole women entrepreneurs are mostly first generation entrepreneurs, whose entry into this field is not driven by any negative circumstances like their

husband's unemployment and though their educational qualifications are low, they exhibit a good overall performance and are found to be growing in self-confidence over time.

Supporting and Hindering factors

Apart from examining the influence of their general background in the starting and running of the ventures, we have also specifically asked the entrepreneurs, what they thought were the factors that supported or hindered the running of the business. Tables 2.17 and 2.18 present the major factors that support or hinder business development according to the entrepreneurs.

Table 2.17: Factors that Supported Business Growth

Factors	No of entrepreneurs
Favorable market conditions	55
Availability of raw materials	27
Better technology	25
Support of friends and relatives	15
Parents' experience	6
Good product	6
Entrepreneur's own experience in the same field	4

Table 2.18: Factors that hindered business growth

Factors	Number of Entrepreneurs .
Unfavorable market conditions	52
Competition	39
Shortage of finance	19

Power problem	10
Costly raw materials	11
Delayed Payments	6
Bad government policy	6
Labour problem	5

In examining the perceptions of the entrepreneurs, we find that external forces like market conditions, availability of raw materials, competition, etc. play a crucial role in supporting and hindering business growth. Judging from the responses, a majority of the entrepreneurs (irrespective of the type of industry) indicated that market conditions, availability of raw materials, competition and introduction of better technology were enabling factors.

Summing up, it appears that the entrepreneurs in the study area are not highly educated but have acquired some experience before starting a venture on their own. Most of them are first generation entrepreneurs and the decision to become entrepreneurs is not derived from the family's business experience. Majority of them started enterprise at a relatively young age. About one fourth of the entrepreneurs started new ventures despite making loss in their earlier ventures. In most cases they are the sole income earners of the family. The success or failure seems to be more of an offshoot of individual talents, which as the results indicate is not necessarily shaped by the entrepreneur's economic, personal, social and educational background. Since we are dealing with rural entrepreneurship, where most of the enterprises can be characterized as small, it is not surprising to find relative homogeneity existing among the enterprises and entrepreneurs. It appears that those differences, which exist, are not very significant enough to cause differences in the performance of units. The women entrepreneurs, like male entrepreneurs, are mostly first generation entrepreneurs, whose entry into

this field is not driven by any negative circumstances like their husband's unemployment. The women entrepreneurs, though slightly disadvantaged in their background, has been able to perform like men in making their enterprises profitable. They are also found to be growing in self-confidence over time.

CHAPTER III

MOTIVATING FACTORS

The factors that motivate a person to become an entrepreneur can be broadly classified into prime motivators, motives, compelling factor, facilitating factors and opportunity factors. A prime motivator refers to the entrepreneurs themselves and/or their friends or relatives. The major motives behind starting a new venture are to earn more money, to support one's family, to continue a family business or to achieve a higher social status. The factors that compel a person to start a new business can be unemployment or dissatisfaction with a particular job. Facilitating factors include the availability of idle funds at the entrepreneur's disposal, eagerness to make use of the skills the person has acquired over time, previous experience in the same line, support from friends or relatives, inherited property etc. The opportunity factors of entrepreneurship are trade information, business contacts, knowledge about sources of raw materials etc., and good education and training.

In this chapter, we propose to examine the influence of these factors on entrepreneurs. It is likely that different people are motivated by different factors or different ways by one factor. We have explored whether the differences in the socio-economic background of entrepreneurs makes any difference in the relative importance of the factors which motivate them. The motivating factors were categorized on the basis of gender to see whether there were any differences in the importance assigned to these factors between men and women entrepreneurs. We also looked at the relation between other entrepreneurial attributes and the motivation factors which may influence them.

The influence of the factors on the entrepreneur was measured on the basis of a five-point scale included in the schedule administered to the 100 selected entrepreneurs. The respondents were asked to score each factor on the basis of the importance assigned to each statement. The maximum score of 5 can be assigned to a factor if the entrepreneur considered the factor as 'very important' in motivating him/her to entrepreneurship. The entrepreneurs were asked to give any score between 5 and 1, the minimum score assigned to a factor if the factor is 'not at all important'. It is reasonable to assume that a factor with a mean score of less than 2 does not have any significant effect in motivating people to entrepreneurship. A mean score in the range of 2-3 indicates that the factor has a moderate effect on entrepreneurship. A mean score in the range of 3-4 suggests that the factor has high motivating ability. Finally, if the score is above 4, the factor definitely influences a person in becoming an entrepreneur. Initially, the average scores are presented for the total number of units in the sample and for profit making entrepreneurs and entrepreneurs of loss making enterprises. Subsequently, the factors found to have significantly motivated the entrepreneurs in the sample will be analysed according to gender, entry age, educational background, capital investment etc.

Prime Motivators

An entrepreneur may embark on an enterprise on his/her own initiative or he/she may be inspired to do so by the advice of others such as members of his/her family, close relations and friends, or a government agency. In this section we attempt to identify the prime forces, which motivate an entrepreneur to start an enterprise. Table 3.1 presents the mean scores on some of the prime motivating factors.

Table 3.1: Prime Motivators of Entrepreneurship

Factor	Average Score (maximum 5)		
	Profit making	Loss making	Total
Self–This was a decision I took solely by myself*	4.27	3.67	4.14
Success Stories of other entrepreneurs encouraged me	2.43	3.00	2.55
Friends and Relatives persuaded/ encouraged me	2.54	2.38	2.51
Government Agencies	2.53	2.43	2.51
Spouse persuaded / encouraged me*	2.37	1.67	2.22
Teachers persuaded / encouraged me	1.38	1.76	1.46
NGOs	1.35	1.38	1.36

* The difference between profit making and loss making entrepreneurs is significant at 10 per cent level.

The table reveals that self- inspiration has been the most important motivator. This is true for entrepreneurs of both profit making and loss making enterprises.

This implies that the prime motivator of entrepreneurship is the entrepreneur himself/ herself. They had the urge to start ventures on their own. However, the entrepreneurs of loss making units scored significantly lower on this factor and has scored relatively high on other factors like success stories of other entrepreneurs.

Generally, it is assumed that a synergistic effect can be achieved when the self-motivation of entrepreneurs is combined with support from government agencies. In the case of these entrepreneurs, it was found that government agencies had only moderate influence on their entry into business. Further, the above table indicates that NGOs seem to have no influence in motivating people to entrepreneurship.

Entrepreneur's Ambition or Motives

One of the motivations that direct the intentions and initiative of an individual to start a business is the urge for working independently or for expressing oneself. What matters most is what aspirations people have and what they do to realize them. The motives differ from individual to individual. They also differ from family to family, depending upon the circumstances in which the individuals are placed and the priorities which they have set for themselves. Table 3.2 presents the motives of the entrepreneurs covered by the study.

Table 3.2: Motives of the Entrepreneur

Factor	Average Score (maximum 5)		
	Profit making	Loss making	Total
Started the business to support his/her family	4.13	3.71	4.04
I wanted to be on my own rather than working for somebody else	3.82	3.67	3.79
Started the business to earn more money	2.94	3.14	2.98
Started the business for achieving higher social status	2.37	2.19	2.33
To continue the family business	1.85	1.85	1.87

Supporting one's family was the most important motive of an entrepreneur in starting an enterprise. The urge to be independent rather than working for somebody was the next important motive for starting these enterprises. Interestingly, the average scores are slightly lower for entrepreneurs running loss making enterprises on both these motives compared to profit making entrepreneurs. However, the t-test showed that the average scores for profit

making and loss making units were statistically significantly different for none of the above factors. The urge to earn more money and achieving higher social status are motives of only moderate influence. When asked about whether entry into entrepreneurship has improved their status in the society, large majority (86 out of 100) reported their social status improved after becoming entrepreneurs. This seems to be an indirect outcome than a conscious objective. Continuing the family business received only low scores, probably because only few respondents had inherited family business.

Compelling Factors

Sometimes it is external compulsion rather than internal motives that push people to launch their enterprises. People may be suddenly thrown out of employment and may be compelled to seek or accept another job. The mere fact of being without any employment for a long time may act as a factor. Perhaps the person was totally dissatisfied with the job in which he/she was employed, leaving no other option but to quit the job. Table 3.3 presents the details regarding the major compelling factors, which have affected the entrepreneurs in the study area.

Table 3.3: Compelling Factors Leading to Entrepreneurship

Factor	Average Score (maximum 5)		
	Profit making	Loss making	Total
I was unemployed and I had to do something, so I started a business	2.63	3.05	2.72
I was dissatisfied with the last job	2.08	2.71	2.21

Both the compelling factors appear to be not very important. Our discussion in the section dealing with motives and ambitions of the entrepreneur had indicated that the entrepreneurs had given a high score on being independent. Here, we find that unemployment and job dissatisfaction have only moderate influence in compelling a person to entrepreneurship. On the whole, it appears that people's entry into entrepreneurial activity is more by the need to express themselves than driven by compulsion. However, it is important to note that both these compelling factors were considered to be more important by the entrepreneurs making loss than successful entrepreneurs. It implies that, people who are compelled to become entrepreneurs are likely to face losses in the endeavours. Our discussion on prime motivators also brings out that the entrepreneurs of the loss making enterprises has less self-motivation than successful entrepreneurs. They were also more influenced by the success stories of other entrepreneurs.

Facilitating Factors

The factors facilitating entrepreneurship include- the encouragement and support from members of the family, friends or relatives, the experience gained in previous employment, a good educational background, the skills and property acquired or inherited. Support from sources like friends or family can be in the form of material or moral support. Moral support from one's close relations and friends boosts up morale, recharges self-confidence, stimulates enterprise, and strengthens people to face the challenges, especially those that arise in the initial years. The possibility of using idle funds and the easiness in entering a particular line of business are other facilitating factors. Table 3.4 reports the responses on facilitating factors.

Table 3.4: Factors Facilitating Entrepreneurship

	Average Score (maximum 5)
--	---------------------------

Factor	Average Score (maximum 5)		
	Profit making	Loss making	Total
I had previous experience in the same line	3.03	2.71	2.96
I had a good education	2.73	3.10	2.81
I got support from friends and relatives*	2.49	3.43	2.69
This was a business which was easy to enter*	2.06	2.90	2.24
I inherited property	1.97	1.71	1.92
To make use of idle funds	1.30	1.52	1.35

* The difference between loss making and profit making entrepreneurs is significantly on this factor at 5 per cent level.

The above table reveals that the skills and experience one acquires prior to starting a new venture are the most important factors facilitating entry into a new venture.

It is observed that education is not considered even as a moderately influencing factor. It is likely that the educational system in the State has not given sufficient orientation for developing entrepreneurship capabilities. The other factors that were considered were found not to be significant.

Opportunity Factors

The opportunity factors that were considered in the present study were trade information, contacts that are useful for entrepreneurship and training in the same or related lines. Table 3.5 presents the mean scores for each of these factors.

Table 3.5: Opportunity Factors which led to Entrepreneurship

	Average Score (maximum 5)		
	Profit making	Loss making	Total

I had relevant trade information	3.08	2.90	3.04
I had contacts to start this business	2.94	2.67	2.88
I had good training	1.92	2.14	1.97

At best, the entrepreneurs attribute only moderate influence to opportunity factors.

Among opportunity factors, relevant trade information is the most important followed by business contacts established earlier. Training was not considered as an important opportunity factor.

As mentioned before, it is likely that people are motivated by different factors or differently by any one factor. In the following section, we examine whether there exists significant difference between different groups of entrepreneurs. The entrepreneurs were grouped according to gender, age of entry into entrepreneurship, education and investments made. The difference between the average scores of different groups is statistically tested using t-test or Analysis of Variance (ANOVA). In cases when ANOVA found that there exists difference between one or more groups, Least Square Difference (LSD) method was adopted to decide the significantly different groups.

It can be said that the urge to support one's family combined with the desire to be on one's own are very crucial in the making of these entrepreneurs. It seems that compulsive factors like unemployment have not been major factors influencing these entrepreneurs. The respondents ventured into entrepreneurship despite the facilitating and opportunity factors having only moderate influence. Training, the availability of idle funds or financial capital, the role of NGOs and continuing family business are some of the factors, which were insignificant as motivators.

Gender and Motivating Factors

It is likely that the motivating factors relating to male and female entrepreneurs are different. The results of the analysis are presented in Table 3.6.

Table 3.6: Average Scores on Motivating Factors according to Gender

Factors	Gender		t-value	p-value
	Male	Female		
Prime Motivators				
Self–This was a decision I took solely by myself	4.12	4.24	0.302	0.763
Success Stories of other entrepreneurs encouraged me	2.66	2.00	1.595	0.114
Friends and Relatives persuaded/ encouraged me	2.47	2.71	0.620	0.537
Government Agencies	2.52	2.47	0.099	0.921
Spouse persuaded / encouraged me	1.89	3.82	5.318	0.000
Motives				
Started the business to support his/her family	3.95	4.47	1.471	0.145
I wanted to be on my own rather than working for somebody else	3.80	3.76	0.075	0.940
Started the business to earn more money	2.96	3.06	0.223	0.824
Started the business for achieving higher social status	2.39	2.06	0.925	0.357
Compelling Factors				
I was unemployed and I had to do something, so I started a business	2.69	2.88	0.480	0.632
I was dissatisfied with the last job	2.31	1.71	1.448	0.151
Facilitating Factors				
To make use of the acquired skills	3.43	3.65	0.508	0.613
I had previous experience in the same line	2.96	2.94	0.049	0.961
I had a good education	2.86	2.59	0.748	0.456
I got support from friends and relatives	2.67	2.76	0.228	0.820
This was a business which was easy to enter	2.41	2.02	1.333	0.186
Opportunity Factors				
I had relevant trade information	3.05	3.02	0.101	0.920
I had contacts to start this business	2.96	2.77	0.624	0.534

Women ranked spousal persuasion/encouragement as a highly motivating factor while male entrepreneurs viewed this factor as only of marginal significance. It was only on this factor that male and female entrepreneurs differed significantly.

In the case of women entrepreneurs, supporting their family had a higher score than self-inspiration.

Age and Motivating Factors

Some motivational factors might vary with age. We tried to determine whether the age of the entrepreneur at the time of starting the business had any influence on the relative importance of the different motivational factors (see Table 3.7).

The highest score is given to self- motivation, irrespective of the age at which the entrepreneurs had started their business. On two prime motivators viz. encouragement of the government agencies and the spousal encouragement, the two elder groups scored significantly higher than the younger group. In the case of all other factors, the two groups are found to be not significantly different in the scoring. This implies that except for little bit of consideration from the government agencies, the elder and younger entrepreneurs do not perceive any significant difference in the factors motivating them to entrepreneurship.

Table 3.7: Average Scores on Motivating Factors according to Age of Entry into Entrepreneurship

Factors	Age of Entry		t-value	p-value
	30 or below	Above 30		
Prime Motivators				
Self–This was a decision I took solely by myself	4.21	4.05	0.588	0.558
Success Stories of other entrepreneurs encouraged me	2.39	2.75	1.129	0.262
Friends and Relatives persuaded/ encouraged me	2.59	2.41	0.626	0.533
Government Agencies	2.16	2.95	2.254	0.026
Spouse persuaded / encouraged me	1.71	2.86	3.968	0.000
Motives				
Started the business to support his/her family	4.14	3.91	0.870	0.387
I wanted to be on my own rather than working for somebody else	3.98	3.55	1.434	0.155
Started the business to earn more money	3.20	2.70	1.541	0.127
Started the business for achieving higher social status	2.41	2.23	0.685	0.495
Compelling Factors				
I was unemployed and I had to do something, so I started a business	2.77	2.66	0.353	0.725
I was dissatisfied with the last job	2.09	2.36	0.858	0.393
Facilitating Factors				
To make use of the acquired skills	3.54	3.39	0.469	0.640
I had previous experience in the same line	2.96	2.95	0.028	0.978
I had a good education	2.75	2.89	0.504	0.616
I got support from friends and relatives	2.63	2.77	0.495	0.622
This was a business which was easy to enter	2.41	2.02	1.333	0.186
Opportunity Factors				
I had relevant trade information	3.05	3.02	0.101	0.920
I had contacts to start this business	2.96	2.77	0.624	0.534

Education and Motivating Factors

The educational level of the entrepreneur is yet another factor likely to affect the relative importance of the motivational factors. In Table 3.8, we examine this aspect.

Table 3.8: Average Scores Motivating Factors according to Education of the Entrepreneur

Factors	Education			F- Value	p- value
	SSLC/ Plus 2	Tech- nical	Degree &above		
Prime Motivators					
Self–This was a decision I took solely by myself	4.29	3.81	4.17	1.008	0.369
Success Stories of other entrepreneurs encouraged me	2.70	2.15	2.67	1.120	0.330
Friends and Relatives persuaded/ encouraged me	2.55	2.62	2.22	0.459	0.633
Government Agencies	2.70	2.15	2.44	0.833	0.438
Spouse persuaded / encouraged me	2.38	2.00	2.06	0.646	0.526
Motives					
Started the business to support his/her family	4.18	3.65	4.17	1.490	0.230
I wanted to be on my own rather than working for somebody else	4.07	3.50	3.33	2.346	0.100
Started the business to earn more money	2.66	3.50	3.22	2.809	0.065
Started the business for achieving higher social status	2.16	2.15	3.11	4.042	0.021
Compelling Factors					
I was unemployed and I had to do something, so I started a business	2.66	3.04	2.44	0.902	0.409
I was dissatisfied with the last job	2.23	2.27	2.06	0.107	0.898
Facilitating Factors					
To make use of the acquired skills	3.52	3.50	3.28	0.162	0.850
I had previous experience in the same line	3.04	3.00	2.67	0.320	0.727
I had a good education	2.50	2.88	3.67	5.728	0.004
I got support from friends and relatives	2.45	3.19	2.72	2.347	0.099
This was a business which was easy to enter	2.02	2.54	2.50	1.512	0.226

Opportunity Factors					
I had relevant trade information	3.14	2.69	3.22	0.957	0.387
I had contacts to start this business	3.05	2.31	3.17	2.612	0.079

The Analysis of Variance (ANOVA) showed that there has been significant difference between groups in the case of the three motives viz., ‘being on one’s own rather than working for somebody’, ‘earning more money’ and achieving social status’. The Least Square Difference method showed that being one’s own rather than working for somebody was a motive of significantly higher importance to the lower educated (SSLC/Plus 2) group compared to higher educated entrepreneurs. Earning more money was much more important for the technically qualified entrepreneurs than those with educational qualifications upto Plus 2. Achieving higher social status was considered to be much more important for higher educated entrepreneurs compared to the other two groups. Expectedly, achieving good education was considered to be an important facilitating factor by the higher educated people. It is also important to note that technically qualified entrepreneurs rated encouragement from friends and relatives as a facilitating factor at a higher level than other groups. Perhaps, the rural community perceives entrepreneurship as an activity meant for the technically qualified and the people with general education have to pursue paid employment.

Business Background of Entrepreneur’s Family and Motivating Factors

It is likely that the importance assigned to motivational factors may vary between first generation and second-generation entrepreneurs.

Table 3.9: Average Scores on Motivating Factors of First and Second Generation Entrepreneurs

Factors	Business Background		t-value	p-value
	Second Generation	First Generation		
Prime Motivators				
Self–This was a decision I took solely by myself	4.00	4.36	1.235	0.220
Success Stories of other entrepreneurs encouraged me	2.64	2.41	0.709	0.480
Friends and Relatives persuaded/ encouraged me	2.56	2.44	0.414	0.680
Government Agencies	2.16	3.05	2.489	0.014
Spouse persuaded / encouraged me	2.10	2.41	0.987	0.326
Motives				
Started the business to support his/her family	4.02	4.08	0.220	0.826
I wanted to be on my own rather than working for somebody else	3.87	3.67	0.647	0.519
Started the business to earn more money	3.26	2.54	2.258	0.026
Started the business for achieving higher social status	2.48	2.10	1.378	0.171
Compelling Factors				
I was unemployed and I had to do something, so I started a business	2.62	2.87	0.795	0.429
I was dissatisfied with the last job	2.44	1.85	1.859	0.066
Facilitating Factors				
To make use of the acquired skills	3.41	3.56	0.477	0.635
I had previous experience in the same line	3.03	2.85	0.528	0.599
I had a good education	2.95	2.59	1.321	0.190
I got support from friends and relatives	2.93	2.31	2.108	0.038
This was a business which was easy to enter	2.51	1.82	2.366	0.020
Opportunity Factors				
I had relevant trade information	3.13	2.90	0.756	0.451
I had contacts to start this business	3.05	2.62	1.399	0.165

Support from government agencies was considered to be more important for first generation entrepreneurs than second generation entrepreneurs. The second generation entrepreneurs gave more importance to earning more money and they were more dissatisfied with the last job they held. Support from friends and relatives and easiness to enter the market were accepted as factors of relatively higher importance by the second generation entrepreneurs than the first generation entrepreneurs though both the groups do not see these factors as very important. In terms of other factors, the difference is not statistically significant.

Investment and Motivating Factors

Investment is yet another variable which may differentiate the motivating factors. Table 3.10 presents the average scores on motivating factors classified according to the capital investment. Only on the importance given to two factors, education and spousal encouragement, the average scores are significantly different. It is found that the importance given to education increases as the investment levels increase. However, spousal encouragement is relatively high for 'below Rs. 1 lakh' compared to the other two groups. Another finding is that the score on support from government agencies increases as one moves up the investment ladder. Perhaps, it is a reflection of the lack of interest of the government agencies in supporting small investors.

Table 3.10: Average Scores Motivating Factors according to Investment

Factors	Investment			F-Value	p-value
	Below one lakh	1-5 lakh	Above 5 lakh		
Prime Motivators					
Self–This was a decision I took solely by myself	4.32	4.16	4.09	0.225	0.799
Success Stories of other entrepreneurs encouraged me	2.41	2.52	2.91	0.747	0.476
Friends and Relatives persuaded/ encouraged me	2.49	2.55	2.50	0.017	0.983
Government Agencies	2.24	2.55	3.00	1.311	0.275
Spouse persuaded / encouraged me	2.63	1.77	2.23	2.745	0.070
Motives					
Started the business to support his/her family	4.32	4.06	3.73	1.474	0.234
I wanted to be on my own rather than working for somebody else	4.05	3.81	3.32	1.660	0.196
Started the business to earn more money	3.02	3.13	2.45	1.277	0.284
Started the business for achieving higher social status	2.20	2.23	2.64	0.867	0.424
Compelling Factors					
I was unemployed and I had to do something, so I started a business	2.83	2.81	2.36	0.740	0.480
I was dissatisfied with the last job	2.00	2.61	1.95	1.672	0.194
Facilitating Factors					
To make use of the acquired skills	3.80	3.26	3.27	1.345	0.266
I had previous experience in the same line	3.10	2.77	3.00	0.310	0.734
I had a good education	2.27	2.84	3.64	8.684	0.000
I got support from friends and relatives	2.56	2.48	2.86	0.469	0.627
This was a business which was easy to enter	2.12	2.10	2.50	0.605	0.548
Opportunity Factors					
I had relevant trade information	3.05	3.00	3.14	0.053	0.949
I had contacts to start this business	2.71	2.94	3.09	0.491	0.613

CHAPTER IV

ENTREPRENEURIAL COMPETENCIES

Competency is the underlying character of an individual that is causally related to one's performance in a job or situation. Competent behaviour is the result of a wide variety of factors including an individual's motivation, personality traits, self concept, knowledge, skill etc. The competencies of the entrepreneur have a major role in determining the success or failure of the enterprise. In order to perform the tasks of an entrepreneur successfully, one needs specific skills, abilities, traits and motives. In this chapter, we have tried to analyse the competencies of the entrepreneurs in the sample.

In our effort to assess the entrepreneurial competencies, a self administered questionnaire was used. The original instrument for measuring entrepreneurial competencies was developed by the Entrepreneurship Development Institute of India, Ahmedabad for the selection of entrepreneurs for training under their Entrepreneurship Development Programmes. The questionnaire consists of 70 items (statements) divided into thirteen categories. Each category represents an entrepreneurial competency. Following competencies were considered in the study:

1. Initiative

It is the competence of a person to take actions that go beyond the job requirements or the demands of the situation. Following statements were included in the research instrument as measures of initiative:

1. I look for things that need to be done
2. I do things that need to be done before being asked to by others
3. I do things before it is clear that they must be done

4. I take action before it is clear that I must
5. I wait for direction from others before taking action

2. Sees and Acts on Opportunities

The statements are:

1. I like challenges and new opportunities
2. I prefer activities that I know well and with which I am comfortable.
3. I notice opportunities to do new things
4. I try things that are very new and different from what I have done before
5. I take advantage of opportunities that arise

3. Persistence

It is the competency to action to overcome obstacles that get in the way of reaching goals. The statements are:

1. When faced with a difficult problem, I spend a lot of time trying to find a solution
2. I try several times to get people to do what I would like them to do
3. When something gets in the way of what I am trying to do, I keep on trying to accomplish what I want
4. When faced with a major difficulty, I quickly go on to other things
5. I try several ways to overcome things that get in the way of reaching my goals

4. Information Seeking

It is the competency to take action on one's own to get information to help reach objectives or clarify problems. The statements are:

1. When starting a new task or project, I gather a great deal of information

2. I seek the advice of people who know a lot about the problems or tasks I am working on
3. I take action without seeking information
4. When working on a project for someone, I ask many questions to be sure I understand what that person wants
5. I go to several sources to get the information to help with tasks or projects

5. Concern for High Quality Work

Acts to do things that meet or beat existing standards of excellence

The statements are:

1. It bothers me when things are not done very well
2. It is important to me to do a high quality job
3. My own work is better than that of other people I work with
4. When something I have been working on is satisfactory, I do not spend extra time trying to make it better
5. I want my company to be the best of its type

6. Commitment to Work Contract

Places the highest priority on getting a job completed.

The statements are:

1. I give much effort to my work
2. I work long hours and make personal sacrifices to complete jobs on time
3. I do whatever it takes to complete a job
4. When I am doing a job for someone, I make a special effort to make sure that the person is satisfied with my work
5. I do not let my work interfere with my family or personal life

7. Efficiency Orientation

Finds ways to do things faster or with fewer resources or at a lower cost.

The statements are:

1. I find ways to do things faster
2. I am not good at using my time well
3. It bothers me when my time is wasted
4. I find ways to do things for less cost
5. I get the most I can out of the money I have to accomplish a project or task

8. Systematic Planning

Develops and uses logical, step-by-step plans to reach goals.

The statements are:

1. I plan a large project by breaking it down into smaller tasks
2. I think about the advantages and disadvantages of different ways of accomplishing things
3. I try to think of all the problems I may encounter and plan what to do if any problem occurs
4. I deal with problems as they arise, rather than spend time trying to anticipate them
5. I take a logical and systematic approach to activities

9. Problem Solving

Identifies new and potentially unique ideas to reach goals.

The statements are:

1. I think of unusual solutions to problems
2. I think of many new ideas

3. Once I have selected an approach to solving a problem, I do not change that approach
4. I think of many ways to solve problems
5. If one approach to a problem does not work, I think of another approach

10. Self Confidence

Has a strong belief in self and own abilities

The statements are:

1. I feel confident that I will succeed at whatever I try to do
2. I change my mind if others disagree strongly with me
3. When trying something difficult or challenging, I feel confident that I will succeed
4. I do things that are risky
5. I stick with my decisions even if other disagree strongly with me

11. Assertiveness

Confronts problems and issues with others directly

The statements are:

1. I feel badly about others when they have not performed as expected
2. If I am angry or upset with someone, I tell that person
3. It is difficult for me to order people to do things
4. When I disagree with others, I let them know
5. I tell people what they have to do, even if they do not want to do it.

12. Persuasion

Successfully persuades others

The statements are:

1. I get others to support my recommendations
2. I convince others of my ideas
3. I get others to see how I will be able to accomplish what I set out to do
4. I am very persuasive with others
5. I cannot get people who have strong opinions or ideas to change their minds

13. Use of Influence Strategies

Uses calculated strategies to affect others.

The statements are:

1. I develop strategies to influence others
2. I do not spend much time thinking about how to influence others
3. I get important people to help me accomplish my goals
4. In order to reach my goals, I think of solutions that benefit everyone involved in a problem
5. I get to know people who may be able to help me reach my goals

Total number of respondents was 86 as the remaining fourteen entrepreneurs did not fill the self rating questionnaire even after repeated requests. Each respondent was asked to rate on how well the statement describes him/her. The responses were marked on a five point scale. A score of '5' was to be given if the statement very well describes the person; '4' if it describes the individual well; '3' if somewhat describes the person; '2' if it describes little; and '1' if the statement does not in any way describe the person.

It is possible that the many of the dimensions of competency in the inventory used could be very similar and could be manifestations of some core dimensions. In order to analyse the competencies of the entrepreneurs in the study area, we have conducted factor analysis of the above thirteen items. Using factor analysis, we have tried to understand the underlying competency factors that the entrepreneurs have. To test the appropriateness of using factor analysis, we have used the Bartlett's test of sphericity and Kaiser-Meyer-Olkin (KMO) measure of sample adequacy.

Bartlett's test of sphericity is 492.931 with a significance level close to zero implying that the correlation matrix is not an identity matrix. KMO measure of sampling adequacy is 0.897. Since the measure is close to one, it is safe to assume that using factor analysis is appropriate. The fact that the computed anti-image correlations are also small further corroborates the appropriateness of the factor model. The factor extraction method used in the present analysis is the principal components analysis. Only items with loadings greater than 0.50 has been included in the final analysis. Based on this criterion, four variables have been eliminated from further analysis. The excluded variables are assertiveness, concern for high quality, sees and acts on opportunities and use of influence strategy. After the elimination of the above four variables, the factor analysis was repeated. Table 4.1 contains a summary of the nine entrepreneurial traits which were used in the final analysis. Last column shows the mean scores for different categories ranked according to the mean values.

Table 4.1: Summary of Scores on Entrepreneurial Competencies

Variable	Score (% of respondents)				Average Score
	6-10	11-15	16-20	21-25	
Information seeking	0.0	12.6	44.8	42.5	19.56

Efficiency orientation	2.3	13.8	55.2	28.7	18.33
Persistence	4.6	25.3	51.7	18.4	17.23
Problem Solving	8.0	36.8	41.4	13.8	16.09
Initiative	16.1	51.7	31.0	1.1	14.11
Commitment to work	3.4	19.5	57.5	19.5	17.71
Systematic Planning	2.3	28.7	62.1	6.9	16.70
Self Confidence	3.4	24.1	57.5	14.9	16.92
Persuasion	3.4	28.7	54.0	13.8	16.66

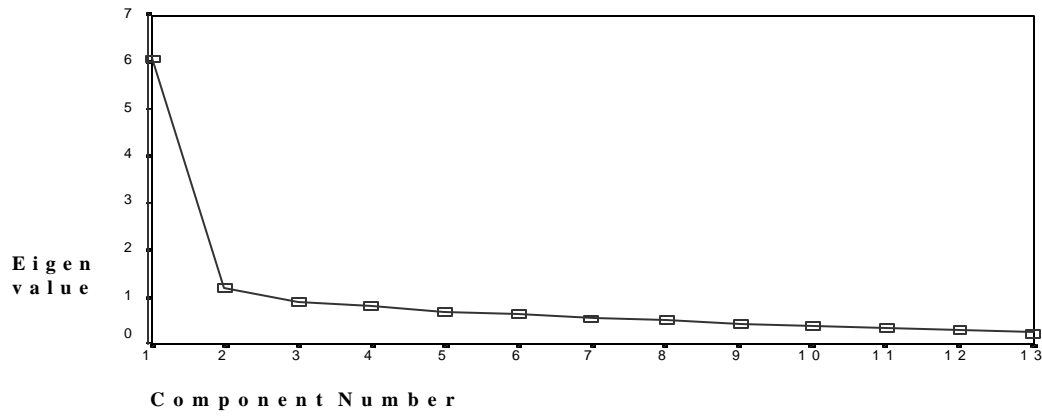
The variables used in the final analysis and the corresponding factor loadings are reported in Table 4.2.

Table 4.2:Factor Loadings of Competency Variables

Factors	Factor Loadings
Information seeking	0.572
Efficiency orientation	0.681
Persistence	0.732
Problem Solving	0.581
Initiative	0.721
Commitment to work	0.560
Systematic Planning	0.629
Self Confidence	0.634
Persuasion	0.529

After extraction, varimax rotation was adopted to explain the factors better. The final solution accounted for 62.65 per cent of the variance present in the data. The rotation required three iterations to converge. The number of factors was chosen on the basis of the criterion of extracting components with eigen values above 1. The scree plot also showed a clear knee at 2 components. The number of factors identified by the factor analysis is two. The scree plot also provides support to the adequacy of taking two factors.

Figure 4.1:Scree Plot of the Factor Analysis Model



The two factors and their correlation with the competence variables used in the final analysis are presented in Table 4.3.

Table 4.3:Rotated Component Matrix

Variables	Factor 1	Factor 2
Efficiency orientation	.824	.04
Persistence	.762	.389
Problem Solving	.759	.06
Information seeking	.753	.07
Systematic Planning	.745	.273
Commitment to work	.706	.243
Persuasion	.638	.348
Initiative	.109	.842
Self Confidence	.184	.774

It is evident that the two factors are efficient in explaining the relationships that are present in the data. The first factor is a combination of variables, efficiency orientation, persistence, problem solving, Information seeking, systematic planning, commitment to work and persuasion. The second factor is a combination of initiative and self-confidence. These two underlying factors can be tentatively conceptualized as **Factor A and Factor E**. Factor A is indicative of the behavioral style of the individual in dealing with situations. It can be described as an approach dimension to problem solving.

The individual approaches the situations in a very conscious and calculated manner and tries to solve them in a systematic way, evaluates the alternatives and rationally approaches the situations so that he/she can make the most out of the available situations or resources. He/she does not approach situations or problems in an instinctive way. This factor shows an approach or behavioural pattern or cognitive style of the individual rather than a potential or an inherent strength. This factor explains 46.67 per cent of the variance.

The second factor (Factor E) is the personality dimension, which is a combination of initiative and self confidence. This is something, which comes from within the individual, which makes him/her do certain things, which others may not. He/she is a leader, not a follower. Rather than waiting for things to happen, he/she makes things happen. This factor explained only 9.15 per cent of the variance. This could be the elusive quality of the entrepreneur, which is popularly known as entrepreneurship.

Approach or strategy can be developed by an individual through training or experience. Achievement through enhancing the competencies under Factor E is difficult to attain through training because it is more of an inherent quality developed over a long period of time. This is largely an internal dimension.

One can have initiative but no self confidence or alternatively he/she has self confidence but no initiative. Only if a person has both self confidence and initiative and he /she approaches problems or situations in a systematic way, he/she is likely to be successful entrepreneur.

Further, we have explored whether there is any significant difference between the profit making and loss making units with regard to the two factors identified by the factor analysis. We have employed the t-test for testing the difference in means of the factor scores. The results are presented in Table 4.4.

Table 4.4: Results of the t-test on factor scores between profit making and loss making units

Factor	Mean Value		t-value	p value
	Profit making units	Loss making units		
Approach (Factor A)	-0.1112	0.3496	2.100	0.042
Personality (Factor E)	-0.0353	0.1110	0.574	0.570

The results presented in Table 4.4 indicate that there exists significant difference between profit making and loss making units on the ‘approach’ factor. The difference is not significant on personality factor. This is significant because it provides some evidence that it is not the inherent personality dimension alone that determines entrepreneurial success, but the approach of the individual to the problems.

Scope for Future research

The study indicates different directions for future research. The study covered only a small number of loss making units. If a larger number of loss making units are included in the study, the conclusions derived can be more reliable. Secondly, the study has covered industrial units engaged in production of different products / services. If the study covers more homogenous groups of industries, thereby controlling extraneous factors, the effect of industry related factors could be minimized. It may be preferable to take the profit making and loss-making units of a particular industry, which may provide more meaningful results. Besides, it may be possible to compare between different groups of industries. It is also possible to compare the gender differences in the competencies if a sufficiently large sample is taken from both male and female entrepreneurs.

CHAPTER V CASE ANALYSIS

In this chapter, we present detailed case studies of the some of the entrepreneurs included in the sample. These case studies were evolved through in-depth interviews with entrepreneurs. It is expected that these case studies will help in illustrating the various scenarios that facilitated these individuals to take up entrepreneurial activity.

Case 1

Personal Background

Line of Business : Ready made Garments

Religion : Christian

Caste : Jacobite

Marital Status : Unmarried

Age: : 29 ; he started Business at the age of 26

Earlier Experience – Yes, but not in the same line

Education

The entrepreneur is an ITC Draftsman (Mechanical). After SSLC, he joined for Pre-Degree Course (PDC) in a College in Ernakulam. He got admission for II group. He did his schooling in a rural area and was happy to be in town with enough cash in hand and enjoyed. He did not pass his PDC examination. Then he joined an ITC near to his house. He was actually interested in doing a course in Fitter trade but could not make it. So joined for Draftsman Mechanical. He passed it with 60% marks.

Family Background

The entrepreneur is the youngest with 3 siblings

Father: Has studied till 4th standard and was running a teashop in his home town. He had been doing this for a long time. All the family members used to get up early in the morning at 4am and work. The family used to stay in the tea shop. He had only five cents when he started and now he owns six acres of land and a house.

The entrepreneur has gained a lot from the interactions with his father. The entrepreneur's father was very good at maintaining relations with the customers. When he returned the money he borrowed from friends and relatives he used to pay a small interest to keep them happy. This actually improved the relation with friends and well wishers. Also he kept a very cordial relation with his customers, enquiring about their health, family etc.

Father has now stopped the teashop and is concentrating on agriculture. The business was stopped as marriage proposals started coming for his sister and "chayakada" (tea-shop) was a stigma.

Mother is a housewife with education up to 5th standard

Brother – Aged 40 years. Did ITC plumbing and was helping father. Later on set up a Bakery in the place where there was the teashop.

Brother – 38 years ITC, was in Indian Airforce and from there did his MA, LLB, MBA. Now practicing as a Lawyer.

Sister – 36, B.Com., worked in several Banks in temporary posts and now is a Store Keeper in a co-operative bank's book stall. Her husband is a distributor of electrical goods.

He has some relatives doing flourishing business and he wanted to become like them. The entrepreneur feels that the seeds of doing own business were sown in him at a very young age when he used to help his father.

Employment History

After his ITC he worked with a road contractor for six months. He was planning to take a license as a PWD contractor and start contract work on his own. The contractor was his cousin so he had promised to help him get one. He was supervising the road works. He had to deal with all kinds of people who used to come to work at the work site. After 6 months he got a job in Crompton Greaves as apprentice and he joined. The work involved drawing of machine parts, which was not a challenging job. He was not happy with the work so he resigned after 6 months to join another contractor but this time as an account assistant. He was involved in disbursing money to the workers at various work sites. So he had to carry cash with him to various places and pay to the labourers. After one year he got fed up and he left that job. He came back to his hometown and assisted his brother in his bakery business. He used to go to the city and make purchases for the shop and also assist his brother at the shop in handling customers. He was with his brother for 2 years.

Road to Business

When he was in school he used to help his father at his tea shop. Through this interaction he learnt a lot about customer relations from his father. The life was strenuous and a sort of dissatisfaction had crept into the minds of all the family members. Always the option of going for agriculture was there. Moreover, being a rural area, there is a stigma attached to tea shops (Chayakada owner). This aggravated when marriage proposals started coming for his sister. So the entrepreneur's father stopped the hotel business and started concentrating on agriculture. The entrepreneur had noticed that there was a need for a bakery and

cool-drinks stall in the area. So when the family wound up the hotel business he suggested that they start a bakery in place of the empty building to which all agreed. The entrepreneur's brother put up cool drinks' stall there and he assisted his brother.

During the free time in the evenings the entrepreneur used to meet his friends at a common place. There was one of his friends who shared his ideas. Both used to discuss that they should do some business. Both of them had an urge to do business and were always on the lookout for a suitable business option. Though they discussed various options they were not able to zero in on one. In the same group, there were two friends who were running a garment unit. One of them was planning to sell off his unit as he had some health problem. So the entrepreneur and his friend who were looking out for "doing some business" fell for the garment unit, which was available for sale for Rs.60,000/=. The unit was small – doing stitching and embroidery works. Since the investment was not high they were immensely attracted to this. However they did not have any money with them and decided to talk to their parents. Enthusiastically they presented the business idea to their parents but they discouraged them. There were two flopped cases in their area, both the units, which everybody knew. But the entrepreneurs were not ready to give up. They spent two days with a friend of theirs to study about the garment industry. During the course of the discussion they decided to start a new unit since they can get a bank loan.

Now there was more resistance from their friends and parents in starting a garment unit but the entrepreneur and his friend were adamant to get into the business. "If it is a loss we will stop it then" was the attitude. The loan was sanctioned with the influence of a friend. They bought new machines and rented a place on the main road and started the business.

Business History

Churidar was the main product. So they arranged a cutter, two tailors and one person for doing embroidery work. It is only two days before the inauguration that they learnt that they needed a design to start with. They ran to one of their friends who gave them a design. Work started and they started selling the finished goods in the market. But nobody seemed to be interested in the product. After a few days, a retailer told them that their embroidery work was good but the shape was not all that good. It was an old fashion design. The retailer showed him some good designs. The entrepreneur imbibed the design in his mind and explained the same to his cutter. Unfortunately the cutter did not know how to cut this new design; he was an “outdated” cutter. So after 19 days into business the entrepreneur learnt that he had hired a wrong person and had to sack him. Fortunately one of the girls who were doing embroidery knew how to cut the design so she took up the cutter’s post. She had earlier unsuccessfully run a similar garment unit. Now the entrepreneur and his friend came to know that cutting is a very crucial job in this kind of business and they cannot depend on others. Therefore they decided to learn cutting. His cousin came to their rescue and taught them cutting. So now his partner took up the cutting job and the entrepreneur did the marketing. The new design fetched good business and they appointed more tailors to their unit. There was one good customer in Arakkunnam who gave big orders and also made cash payment. This was the person who told him about the design fault in his first product. The entrepreneur had good relations with this man and he gave advice to the entrepreneur on how to run the unit and do business. The entrepreneur used to spend a lot of time at his shop and used to see how he did business. “He was like a father to me” – the entrepreneur said. Business progressed and he got a work from a wholesaler, where he needed to spend only on labour. The material and design were supplied by the wholesaler. They planned to brand their churidars and spoke to the retailer customer cum

mentor. He agreed to stock their products only and they prepared a promotion campaign and named their churidars 'Sweet Girl'. But suddenly, there was a slump in the market and garments started getting overstocked in the shops all over and slowly the business had to extend credit. There was no money in the market. So very few people bought garments. The number of tailors came down to two. They had work for only half the day. Now the entrepreneur is planning to wind up the business. He is waiting for his partner to get placed somewhere and then move to hotel business.

He has plans to start a good quality hotel at his home town. He has already laid the foundation for it. It is on a 3-cent land, which his father had bought earlier. He is confident that it will succeed. According to him there are many labourers in this area who get good wages and are ready to spend on good food especially in the evening. There are around 15 small building / mosaic contractors and they have 15-20 workers who have regular work. They have money. Majority of them have two-wheelers. And they want to eat good food. These people itself will give good business. He feels that these people will be looking for a hotel that is better in ambience and food than the earlier "chayakada". They are ready to pay a bit more for the additional facilities. Well this time he does not intend to work in the kitchen, he plans to just manage the show and he will have workers to do rest of the work.

Observations

The entrepreneur is full of enthusiasm and desperately wanted to do business. He had got a trade certificate in which he was not interested. So the job he got on the basis of his technical education did not was not liked by him. The odd jobs that he did also did not delight him and he did not hesitate to quit the job. He has also done the same thing with his new venture. Though he tasted success in the

beginning, when he found that the market is bad, he is planning to close it down and look for another business.

He was born into a family, which was doing a small business – hotel. From his early days itself he was involved in the business one way or the other. He strongly feels the seed for the urge to start business was sown from those days itself. He learnt many things from his father, which he practices now. He had imbibed the business very well and had made plans to expand it. However, the family members thought otherwise and closed shop. He immediately identified another business for the empty shop-a bakery. But this kind of foresight or ability to identify business was not there when he sat with his friend to start business. He was fascinated by the food business and he finally is planning to start a bigger hotel in the same town.

Well if there was somebody to guide him when he was planning new projects it could have changed the way he did business. Yes, after he started the garment business he got a mentor, his customer who guided him and he did good business. But market slumped and he lost business.

The entrepreneur is young and enthusiastic with a business background. His urge to make more money, his family background and success stories drove him to business. This type of entrepreneur needs a mentor to convert their enthusiasm into viable business ventures.

Economic Status – Low in childhood , now better

Background – Rural

Prime Motivator – Self

Ambition – To earn more money

Compelling reasons – dissatisfaction with present job

Facilitating factors – Success Stories, support from Friends & Relatives

Opportunity Factors – Trade Information

Case 2

Personal background

Line of Business : Ayurveda Medicine and Hospital.

Age : 52 ; Started the enterprise at the age of 30

Caste : Nair

Marital Status : Married

Age : 52 ; Started doing business at the age of 30

Earlier Experience: With her father at his dispensary.

Education

The entrepreneur has done her DAM from the Ayurveda College Tripunithura.

Her schooling was in Malayalam medium.

Family Background

Father : He was a fairly successful ayurveda Vaidyan. He had a couple of ayurveda medicines developed by him, which was well accepted.

Mother : Was a housewife

Brother 1: Is an advocate and practices at Ernakulam

Brother 2 : He had a degree in Ayurveda and Allopathy and was supposed to carry on the father's profession. Unfortunately he died in a car accident

Husband :Has done his Diploma in Automobile Engineering and is helping her in her business. He was running an automobile workshop when he married the entrepreneur. But had to wind up the business after three years as he could not generate good business. Then he ventured into manufacturing aluminum caps for bottles. The main buyer was the Government of Kerala and they procured the caps at a rate fixed by the government. The caps were used for sealing arrack bottles. However, the rise in the price of aluminum eroded the margins of the

firm. To add to it, the government started supplying arrack in plastic packets.

Though the Association of Cap Manufactures fought a case and made the government to supply arrack in bottles, the government by then had started manufacturing caps. The entry of suppliers from Tamilnadu also further ate into the market of local cap manufacturers and hence he had to wind up the cap business and started assisting his wife in her business.

The Road to Business

The entrepreneur had shown interest in ayurveda medicine and in her father's business. However, her father was upset when his son died and lost interest in the profession. He was not keen that the entrepreneur takes up his profession and the entrepreneur had to spend her time reading books. However, the urge to become a medical practitioner was always there in the entrepreneur. Once with the permission of her father she took up a medical case, which the father had lost hope in. The patient was in a critical stage. She was able to cure the patient completely and the patient who was counting her days 23 years ago is still alive.

Immediately after her education she was married and migrated to her husband's place. Her husband was an entrepreneur and he used to spend most of his time in his not so successful businesses. The entrepreneur however set up a small dispensary in her premises and started treating patients. She used to prepare the required ayurveda medicines on her own. Meanwhile the business in which her husband was involved ran into heavy loss and had to be shut down. So the husband thought his wife's business needed to be developed.

Business History

The entrepreneur's husband got fully involved in the business. They took loan from a bank and started manufacturing ayurveda medicines in large scale. The

products developed by her father when his practice was flourishing came handy.

These products were carefully selected and branded again and marketed. They appointed a sales force and aggressively marketed the products. The advantage of these products was that it had a plain taste and was easy to consume. The products did not have a pungent smell. The products started doing well in the market and the organization started growing. They expanded their operations by setting up an in-patient facility. Later on, they were able to get the Good Manufacturing Practice Certificate for the production facility. They have also built a fairly big building for expanding the in-patient facility. The entrepreneur, over a period of time, has specialized in infertility. The hospital has other visiting doctors specializing in other streams. So the entrepreneur and her husband are able to offer more specialisation at the hospital.

Observations

The entrepreneur had an urge to start a medical practice after her graduation. In spite of her father being a practicing Vaidyan and her husband an entrepreneur she did not receive any encouragement from them to start a business on her own. However, she managed to set up a small dispensary in her premises to satisfy the urge for medical practice.

When her husband's aluminum cap business bombed, he thought he could utilize the capability of his doctor-wife. The medicines developed by her father were always there to be exploited. Though the entrepreneur used to tell her husband about the idea of setting up a pharmaceutical unit he never used to heed to her. But finally when he decided to come together with his wife in the pharma business it clicked. However, the entrepreneur was not involved in the management part. She concentrates on the production of medicines and the treatment of the patients. Her husband looks after the management and the marketing of the firm.

The husband-wife combination in business has worked out well in this case. The husband had experience in doing business. The wife had good product knowledge. This is also a case where we see that women entrepreneurs were not encouraged.

Now the entrepreneur is very happy and looking forward to expand in a big way

Economic Status : Much better now

Prime Motivation : Self

Ambition : To earn money

Facilitating factors : Experience in the same line.

Selection of the line of business : Easy to enter

Case 3

Personal Background

Line of business : Engineering workshop

Age : 32 ; he started business at the age of 27

Religion : Hindu,

Caste : Vishwakarma (Blacksmith)

Marital Status : Single

Earlier Experience : In the same line

Education

The entrepreneur passed SSLC in first attempt. The performance in the SSLC examination was average. He studied in a government school

Family Background

Father : Has studied till 4th standard. He was a black smith and used to work at workshops. He had an ambition to set up a workshop of his own as he did not

want to work under others. Now he has realized the dream through his son- the entrepreneur. Now both father and son work together in the workshop.

Mother : Has studied till 4th standard, is a housewife.

Sister 1 : 30years, has studied up to 8th standard is a housewife.

Sister 2 : 28 years, has studied up to 9th standard is a housewife

Brother : 26 years. Has completed PDC, is working as a machine assistant at Popular Automobiles Pvt. Ltd.

Employment Background

After his SSLC, he joined his uncle's 25 year old business at Ernakulam. It was a workshop which manufactures concrete mixers, gates, grills and iron furniture. The workshop had good orders and is still a thriving business. The entrepreneur was a trusted man of his uncle and used to manage the business. After 10 years, he wanted a break and so moved on to do construction work. Later the entrepreneur along with his friend started a workshop. This workshop also manufactured concrete mixers. After 2 years the partners broke off.

Business History

The entrepreneur set up a concrete mixer manufacturing unit on the Ernakulam Vaikom highway at Udayamperoor. This was a spot he had located earlier as it gives good visibility. He will be able to display the finished goods prominently on the high way. He was not in a position to take a loan as he already had taken one in his name. But he managed to take a loan in his friend's name.

The business is progressing well and now has 3 innovations to his credit.

1. Tamper proof lock system
2. Noise reduction system
3. Removable parts

His uncle has influenced him a lot – “ I am at this position because of my uncle”. The success of his uncle had inspired him to a great extent.

Observations

The entrepreneur is very enthusiastic. He is confident that he can do excellent business in five years. Once the loan is repaid, he will take another loan and start full scale production. The entrepreneur has good knowledge of a wide range of works. He can do many jobs related to repairing and servicing of machines and vehicles except engines. He is also a good automobile mechanic. The ten years of experience has imparted a lot of confidence in him. This had helped him to effectively marshal resources.

Prime Motivator: Self

Ambition : To earn more money

Facilitating Factors : Previous Experience in the same line

Economic status : Low in childhood, now better; business the reason

Background : Rural

Case 4

Personal background

Line of Business: Electronics

Age : 37 ; he started doing business at the age of 17

Marital Status : Married

Religion : Christian

Caste : Jacobite

Previous Experience: In the same line

Education

The entrepreneur is a Diploma holder in Mechanical Engineering from a reputed Poly Technique, with 77% marks. The entrepreneur has done his schooling in Malayalam medium.

Family Background

Father : SSLC and owns a hardware shop in Mulanthuruthy town.

Mother : SSLC and is a housewife

Brother: 40 years, is a post graduate in Commerce and runs a stationery shop

Sister 1 : A graduate in Commerce and is now a housewife

Sister 2 : A graduate in Commerce and is now a housewife

Wife : Is a graduate and is a house wife

He hails from a family that has a fairly good level of education

Employment History

Soon after his diploma, he got a job in a Public Limited Company in his hometown itself. He has been working there ever since and now he is a senior Engineer there.

The Road to Business

The entrepreneur had an aptitude for the electrical engineering field. He showed entrepreneurial traits from his childhood. The entrepreneur used to wind transformers and sell them in the nearby radio repairing shop. This was when he was in the eighth standard. At the age of 13, he had designed a water level controller for the overhead tank. By the time he reached his PDC, he started making voltage stabilizers and sells it in the market in the name “Voltrip”. He had three employees at that time itself. Since the entrepreneur was not able to provide

a service backup he had to stop the voltage stabilizer business. Then for some time he made STD lock and marketed them.

After his diploma, he joined the public limited company. But he always had the urge to do something on his own. Once it so happened that the company was planning to sub contract some work. The entrepreneur grabbed the opportunity and set up a unit for manufacturing them. The product was connectors. He set up a unit and registered it in his wife's name.

Business History

The entrepreneur started business with an investment of Rs. 15lakhs. Of this 10 lakhs was loan and 5lakhs was put in by the two partners, one his wife and another his brother. The unit has grown and now it has 80 workers working in three shifts.

He has introduced many methods to improve productivity in his plant. He has studied these techniques from the organization he works in. He has combined various processes and improvised machines to increase production and to reduce labour.

Now he is planning to set up another unit so that he can sell his products to other customers from the new unit. At present he is bound by contract and is not supposed to sell outside.

Observations

The entrepreneur is a person who showed entrepreneurial qualities in his childhood itself. Later he got admission in a institute and passed with good marks. Immediately he got a job but after few years grabbed an opportunity that passed by and excelled in that business

The entrepreneur is under contract from the parent company which, buys whatever is produced. This has given him an assured market. He waited for

seven years and started something when he got a sure contract. He still kept on working with the firm and started the unit in his wife's name, though she is not much involved in the business.

The entrepreneur uses time and motion studies to fix time for each job and rates each of the 80 employees using a performance chart. and also has worked out an incentive package. He has improvised machine, combined processes so as to improve production and reduce the number of labourers. This has improved productivity.

This entrepreneur has lot of drive and ability to do business.

Prime Motivation : Self

Ambition : To earn money

Facilitating factors : Experience in the same line.

Opportunity Factor : Contacts

Selection of the line of business : Easy to enter

Economic Status : Good earlier, Much better now.

Background : Rural

Case 5

Personal Background

Line of business : Cement Products

Age : 36; He started doing business at the age of 31

Religion : Christian

Caste : Jacobite

Marital Status : Married

Earlier Experience: Yes, Not in the same line

Education

The entrepreneur is an ITC fitter. This he passed in the second attempt with a first class. He did his schooling in a government school.

Family Background

Father: Has studied till 2nd standard and is a farmer

Mother: Illiterate and is a housewife

Brother 1:40 years, has done his SSLC, owns a provisions store in the nearby town

Brother 2 : 30 yrs, has done his SSLC, is an auto driver

Sister 1 : 42 years, has done her SSLC, is a house wife

Sister 2 : 39 years , has done her SSLC, is a house wife

Sister 3 : 37 years, has done her PDC, is a house wife

Sister 4 : 26 years, has done her PDC, is a house wife

Wife : Has done her ITI Civil and she helps the entrepreneur in his business

Employment Background

After doing his ITC, he was moving around with his tiller doing tilling jobs. In 1990 he got a job offer from Singapore as a fitter in a shipping company. He left for Singapore and worked there for five years. This was a turning point in life. He got an opportunity to work with people of different countries like China, Malaysia, Singapore etc. He saw the way people work hard. Everybody used to work with lot of enthusiasm and there was a touch of professionalism in whatever they did. This inspired him a lot and he too started working in the same manner. He saw how productive he had become and felt proud of himself. After five years he came back to Kerala and got married and decided to settle in his native place.

The Road to Business

The entrepreneur had some property. He along with his father maintained the agricultural land. However, he was on the lookout for a suitable business. He took one full year before he finalized a business option. He felt that construction will continue for long time. So a business related to it should click. After a series of discussions with few people, he zeroed in on hollow bricks. And he thought of starting a hollow bricks unit.

Business History

Once the idea to start a hollow brick unit got into his mind, the entrepreneur visited many units. He studied how the units functioned and was confident that he could do the business. He invested Rs. five lakhs and started a unit at his residence. He got a loan of Rs.3 lakhs, Rs.one lakh he had with him and another Rs.one lakh he got from his uncle. His uncle was happy to hear that he was going to do some business and voluntarily offered Rs. one lakh. The entrepreneur did good business in the first year and towards the end of the second year, he bought a lorry for delivering the hollow bricks at the construction sites. However, after some time when the glut in the real estate began the entrepreneur helplessly saw his sales coming down. Even when the glut started he ventured into a similar business along with his friend. They together started a unit for manufacturing pavement bricks.

Observation

The entrepreneur was an average person with not so good qualifications. He got a job in Singapore and worked there for five years and finally settled in his native place. The Singapore stint totally changed the entrepreneur. He saw people working with enthusiasm and professionalism and gaining satisfaction from the

various jobs they did. He interacted with people from different countries and finally when he came to Kerala he felt he should be doing some business. Unlike other enthusiastic he did not jump into business but he took some time to identify a business and then invested in it. He set up a hollow bricks unit and his wife being an ITC (civil) helped him out in understanding the intricacies of the construction industry. He did very well in business and also set up another unit in partnership with a friend of his – this time the product was pavement bricks – a line extension. This also, he identified along the course of his business. But unfortunately the glut in the construction industry brought down the sales. Now he looks forward for the market to improve.

Prime Motivator: Self

Facilitating Factor: His experiences abroad. Support from family and friends

Economic Status: Medium, now a little better – his business and his job in Singapore being the reasons.

Background: Rural

Case 6

Personal Background

Line of Business : Wood works

Age : 28, he started business at the age of 24 yrs.

Marital Status : Married

Religion : Christian

Caste : Roman Catholic

Earlier Experience : Nil, but his father had

Education

The entrepreneur has done his SSLC in a government school and has passed with 41% marks.

Family Background

Father : Has studied up to 4th standard and was a carpenter at a public sector wood working company. He has now retired from the job and is now the guide for his son in his business.

Mother : Illiterate and is a housewife

Sister 1 : Has studied up to SSLC, is a housewife

Sister 2 : Has studied up to SSLC, is a housewife

Sister 3 : Has studied up to SSLC, and is a housewife

The Road to Business

The entrepreneur's, father was a carpenter in a public sector wood working factory. Once he retired, he felt he should start something of his own. His son also felt in the same line so both teamed up to set up a wood planing unit. The entrepreneur applied for a loan and got the same. He also attended a six-day training programme conducted by DIC.

Business History

The unit is now four years old. They have invested Rs. three lakhs of which Rs. two lakhs is bank loan and Rs one lakh own contribution. They started the workshop in a small shed in front of their house. They hired 4 workers and started the work. Though it was a planing unit they used to take up all kinds of woodwork. When work was more, they used to hire more people. After three years they erected a building in the space adjacent to their house. It was a pond, which they filled and built a building that can house the machinery.

Now they are in a position to even cut design on the machine using improvised moulds. For this the entrepreneur goes to Coimbatore and sits with a blacksmith to make moulds of his requirements. He saves a substantial amount on moulds and goes there once in two months to make a few new designs.

Both father and son work together. Father has taught the entrepreneur all the intricacies of wood work from his experience. Now he has taken over and the father interferes only when there is an overload or if there are some problems, which the entrepreneur finds difficult to solve. The entrepreneur and his father have devised new technique of cutting so that they can provide their services at a very low cost as compared to their competitors. They have made an innovation in their machine where the waste wood is converted to reapers. Usually the cost for plaining is recovered from the reapers. This act requires a lot of skill, which both have mastered. Business has improved ever since and now unit works in shifts.

They had to face some problems en-route. Sound pollution was a problem. The neighbours used to complain about the sound. But both of them managed the situation. Subsequently, a neighbour objects to their construction plans. This was sorted out with the help of local politicians. The next problem that arose was erratic power supply. The unit is completely power dependent. They learnt that the erratic power supply was motivated. The only unit in that area was his. So one day the entrepreneur spent some time with the linemen and treated them with wine and delicacies. He says that the local KSEB person and others are now on his pay roll thereby has very few problems as far as power is concerned. He is a prospering entrepreneur in spite of the glut in the building business.

Observations

The entrepreneur was pulled into business by his father. His father had a good experience in wood works and persuaded his son to start a unit. He was all the more happy to have a father like this. He wasted no time – prepared a project report, submitted to the bank and got the loan. So his father played a major role in motivating him to start a business. His father was there throughout and imparted the skills required to do wood works. The other side of the business viz. management, identifying market, dealing with officials etc was new to both of

them. However they together learnt about it and were able to manage the business well. The entrepreneur's father is slowly withdrawing from the business and gets involved only when required.

The entrepreneur and his father brought about many changes in the machine and process. The innovations helped in bringing more customers and therefore helped the business to thrive.

This is a very good example of how a mentor created an entrepreneur.

Prime Motivator: Father

Ambition : to earn more money

Facilitating factors: support from father

Economic Status : low in childhood, now better

Background: Rural

Case 7

Personal Background

Line of Business: Engineering Implements

Age: 49, he started business at the age of 23yrs

Marital Status: Married

Religion : Hindu

Caste : Ezhava

Earlier Experience : in the same line.

Education

After SSLC, which he passed in first attempt with 56% marks, he joined for Plus 2, Group II, which he did not like, and therefore, he joined ITI instrument mechanic which he passed with 90% marks. His schooling was in Malayalam medium

Family Background

Father : has studied till 5th standard and was running an oil mill, which is now being looked after by one of his brothers

Mother : Illiterate and was a housewife

Brother 1: 65 years, has done metric and owns a provision store at Mulanthuruthy

Brother 2: 54 years, has completed PDC and runs an oil mill

Brother 3: 51 years, is under metric and is into transport business

Sister 1 : 73 years, has studied till 3rd standard and is a housewife

Sister 2 : 69 years, has studied till 6th and is a housewife

Sister 3 : 61 years, has done TTC and is a retired government school teacher

Sister 4 : 60 years, has studied up to 4th standard and is a housewife

Sister 5 : 58 years, has done her metric and now is a nurse in a private hospital in Hyderabad.

Sister 6 : 57 years, has done her TTC and is a teacher in a Government School at Palakkad

Sister 7 : 55 years, is a matriculate and a nurse at Ernakulam General Hospital

Sister 8 : 53 years, is a graduate in Botany and is a teacher at a school in Palluruthy.

The entrepreneur is the youngest. The male members in the family are all into business. The father owned an oil mill, which is now being looked after by his brother.

Employment Background

The entrepreneur has started the business at the age of 23. He left his business halfway as he was offered a job in the Gulf but could reach only Bombay. In Bombay, he got a job in an organization which did engineering works. He was a

tool room fitter there and after one year returned to Kerala when the parents pressured him to stay with them.

The Road to Business

After his ITI, the entrepreneur was unemployed for some time. At this time his brother-in-law who was in Instrumentation Limited, Palakkad suggested him to start some business. He suggested that an engineering workshop could be a good option since he knew about the market. So under his guidance the entrepreneurs set up a workshop. For one year he did small jobs and did not have the kind of income he expected. Then he got a good order from FACT. He did it to their satisfaction and started getting more work from FACT. At this point of time, he got a job offer from Gulf. His family members persuaded him to go. He had arranged a caretaker for the business and went but was able to go only Bombay. In Bombay, he looked for job there and got one in a big engineering workshop. This workshop used to sub contract their works to smaller workshops. This gave the entrepreneur the idea that if he approach bigger workshop he may get work. After one year he had to return to Kerala, under pressure from the family. They wanted him to look after the family business. The entrepreneur was not in the workshop the family had. He was interested in other businesses.

He started manufacturing shafts and assembling mixies but the mixie company was not able to pay back the loan and therefore had to be shut down. So his manufacturing facility was idle. His brother in law came to his rescue and got an order to develop a valve for Instrumentations Palakkad. This was a costly valve, which was manufactured outside the state. The entrepreneur was able to make it to their satisfaction and he got more work. He was able to provide the valve at a cheaper rate. After that he had enquiries coming in from Cochin Refineries, FACT, Indian Oil Corporation etc and business became stable, he added more people and machinery. Now he specialises in machining and lathe work. He

claims that his unit has extra ordinary heavy duty lathes which nobody else in Kerala has. This is a specialization, which the entrepreneur fell into accidentally. He took up work which others could not do and added machines as and when required. So now he is successfully running the unit.

Observation

The entrepreneur came into business because of the persuasion of his brother in law and his educational qualification in the same line. Once he started it he was addicted to it and never gave up in spite of failures. He slowly developed the infrastructure to do specialized jobs and towards later stages he commanded a good reputation in the market.

He feels that the workshops in the nearby areas are doing only small jobs. This is because they do not have the facility. To do one job one needs to invest a big amount. So they abstain from it. So he suggests an industrial estate where there is a group of workshops specializing in one job. So the estate can take any kind of work.

Prime Motivator : Self, Brother in law

Facilitating factors : Previous experience in the same line.

Economic Status : Much better now

Background : Rural

Case 8

Personal Background

Line of business : Readymade Garments

Religion : Christian

Caste : Roman Catholic

Age : 42 Yrs ; Started business at the age of 23 yrs

Marital Status : Married

Earlier Experience : In the line

Education

The entrepreneur has done his BA in Economics. He did BA in an evening college as he was already doing business at that time. He did his schooling in a government school. He had breaks between courses as he was helping his sister in doing business.

Family Background

Father : Has studied till 4th standard and was doing poultry business in the premises of the house. This was a low profile business and the income was not enough to meet both ends.

Mother : Has studied till 7th standard and is a housewife.

Brother: 28 yrs, Passed SSLC, and is working as a helper to an electrical contractor

Sister 1 : 34 yrs, has done her PDC, is a housewife

Sister 2 : 30 yrs, has done SSLC, is a nun

Sister 3 : 26 yrs, has done PDC, is a housewife.

The entrepreneur's father and his sister were both into business. Father was into poultry business which was not successful and his sister was running a garment unit.

The Road to Business

Since the poultry business run by the entrepreneur's father was not bringing in enough money, his sister started a tailoring unit which grew into a small garment unit. She used to get orders from the wholesale merchants and she stitched nighties and churidars for them. The entrepreneur used to help his sister in the

business right from the age of 17 after completing his PDC. Later on he studied part time with business. The entrepreneur learnt cutting and tailoring from his sister and slowly got completely involved in the business. He used to do the marketing. However he used to get slowly involved in designing and tailoring also. When the entrepreneur's sister got married he inherited the whole business.

Business History

The entrepreneur started earning for his family at the age of 20 when his sister got married. He shifted the shop from his house to a prominent area. It required an investment of Rs.2.5 Lakhs, which he mobilised through bank (Rs.60,000/=) and friends. He supplied nighties and churidars to wholesalers in Ernakulam market. He used to create designs and show them to the wholesalers. The designs approved by the wholesalers were made at his unit. This business did not pick up well and within one year he had to shift back to his house. He blames the market. The entrepreneur feels that the market does not show a possibility of improving in the near future. The garment market is very competitive and requires a lot of credit.

Observations

The entrepreneur got involved in business at a young age. He continued the business that was run by his sister after she got married. He was able to marry off his sister with the money generated from the business. He grew at a formidable pace but the slump in the market affected him and he had to shift his unit to his house from the rented premises.

He has not adopted any modern techniques to improve productivity. He is happy with what he earns now. He has no idea about the future market and has not taken any concrete step to overcome the problem likely to arise in the future. However, the entrepreneur is not ready to give up and sees himself as a big garment unit

owner in the future. He has plans to build a house and also a separate building for the garment unit.

The main reason for his starting, rather continuing the family business was to support his family. With this business he was able to marry off his two sisters.

Prime Motivator: Relatives

Ambition : To support family; to continue family business

Economic status : Low in childhood, now better; business being the reason

Background : Rural

Case 9

Personal Background

Line of business : Moulded Plastic

Age : 41 yrs; he started business at the age of 24 yrs,

Religion : Hindu

Caste : Kshathriya

Marital Status : Married

Earlier Experience : In the same line

Education

Has done AMIE and passed with 90% Marks. For his PDC (I group) and SSLC also he had a high first class.

Family Background

The entrepreneur belongs to a family, which is socially and economically at a higher plane. He is the youngest in family and has eight elder siblings. His father was 'Sirasthadar' in the Kowdiar Palace.

Father : Has completed 5th standard and was the Sirasthadhar in the Kowdiar Palace.

Mother : Has completed 4th standard was a housewife.

Sister 1 : 62 years, has done BSc Nursing and was the Matron at Government Medical College.

Sister 2 : 57 years, has done BSc nursing and was nurse's tutor at Government School of Nurses

Sister 3 : 53 years, has done her Post Graduation in Nursing and was nursing tutor in Government School of Nurses

Sister 4 : 51 years, has done her Graduation and is an office superintendent in Madhya Pradesh State Road Transport Corporation.

Sister 5 : 48 years, has done her graduation, is a teacher in a private school.

Brother 1 : 60 years, has done his PDC, was a head cook in a star hotel.

Brother 2 : 58 years, has done his diploma in Mechanical, is a Circle Inspector in Madhya Pradesh Special Action Force.

Brother 3: 55 years, has done his Graduation and is a Deputy Superintendent in the Madhya Pradesh Special Action Force.

All his siblings were working in government organisations at senior levels and he himself was in the Defence service.

Employment background

After his degree the entrepreneur got a job in the Ordinance Factory. He was a supervisor and was in charge of the maintenance plant in the chemical division. He worked there for four years. He was forced to leave the job on health reasons. Then he moved on to an ancillary unit of BHEL. He used to work with high level of efficiency. He used to give 400% production per day while the lowest allowed was 80%. He had strained his relations with other workers as they used to give something around 80%.

The entrepreneur came to Kerala and bought an existing ancillary unit of HMT in partnership with other friends who were working with him in the BHEL. The products were metal parts of equipments. It was started by taking a loan of Rs.4 lakhs and it did well. But he broke away as he had many other plans. Moreover he had experience in a different line.

Business History

The entrepreneur set up his unit in 1985. He invested Rs. eight lakhs of which Rs. five lakhs was loan from bank. The company manufactured plastic machine parts. Mr. Varma being an engineer designed and improvised the machines needed for the company. This has saved a lot on investment. Also during the course of business he had made many changes in the machine to produce new products.

Immediately after he had his unit up, a friend of his working in KAMCO gave him an opportunity to prove himself. There was a plastic part of the tiller, which was being imported. He successfully manufactured the part and he got a large order from KAMCO. This was a good order. Soon he started supplying plastic mechanical parts to manufacturers of soda makers and mixies. The raw material he used was being imported and he was producing high quality products. The products he was manufacturing had few competitors. He also had a group of trained workers who were able to produce quality products. Moreover, the entrepreneur spent a lot of time in the factory along with his workers to ensure quality.

The sales touched the peak in 1997-'98. Now it is only Rs. 5 lakhs per annum, a 50% fall from 97-98's sales. He has no idea as to what will happen next though he wants to expand the capacity. No diversifications have been made yet.

After some time business started to dip and now the profit levels have come down.

The entrepreneur attributes this to the recession in the market and expects the scene to improve.

Observation

The entrepreneur started the business on his own. He was born into a family, which was socially and financially well placed, but he had no business background. He still maintains the old standard of living. He is the youngest in his family and has eight siblings. All the other siblings were employed and were in good position. So he also took up a job in government organization. He left it because of health reason and entered into business. It seems that the entrepreneur is a person who finds it difficult to adjust with others. He had narrated a few stories of his physical confrontation with other to the researcher. Also he did not like the way his workers worked. Probably he may be having a bad relation with the workers and many have already left him.

The entrepreneur is aggressive and full of energy. But very little of this transforms to business. He is a quality conscious person. Right from his childhood, he has been getting high marks and wherever he has worked, he has given more than 100% quality. That is why finally he landed in making high precision plastic products while majority were satisfied with making other low quality plastic moulded products. He lives in the age of the product concept and feels that you make good product, customer will come to you and you need very little marketing efforts.

Prime Motivator: Self

Ambition : To earn more money

Compelling Reasons : Inability to continue in the previous job.

Facilitating Factors : Previous experience in the same line

Opportunity factors : Training and experience.

Economic status : High always

Background : suburban

Case 10

Personal Background

Line of business : Printing Press

Religion : Christian

Caste : Jacobite

Age : 42 Yrs ; Started business at the age of 23 yrs

Marital Status : Married

Earlier Experience : Yes , Not in the same line.

Education

The entrepreneur has done his SSLC and passed it in two attempts. He went for PDC but did not complete the course. His schooling was in Malayalam medium.

Family Background

Father : Has completed SSLC and was a PWD contractor. He used to do his work with good quality, hence made very little money. He was a person who was respected by all the PWD Engineers. Once he did a PWD work by taking a loan of Rs. eight lakhs. But the PWD made the payment only after three years and he had to pay back Rs. ten lakhs to the bank. After that he stopped contract work and is now looking after the cattle at home.

Mother : has completed SSLC and is a housewife.

Brother 1 : Is 48 years old and is a law graduate. He is now a branch manager of
KSFE.

Brother 2 : Is 46 years old and is an ITC holder and runs a press of his own in the
nearby town.

Brother 3: Is 33 years old and has passed CA and is a Finance Manager at
SupplyCo.

Sister : Is 40 years old and has done her SSLC and is a housewife.

Wife : Has completed SSLC and is a housewife

Employment

After his PDC (incomplete) the entrepreneur worked with a photographer as his
assistant for three years. After that he worked as an agent Peerless Insurance
Company for two years.

The Road to business

At the age of 23 the entrepreneur was a Peerless agent. He was doing good
business and once approached a printer for canvassing a policy. The printer was
going to US and he wanted to sell off his press. He offered a commission of Rs.
5000/= to anybody who could arrange for a buyer. The entrepreneur thought he
could find somebody and discussed this to his elder brother. His brother asked
him to buy it. The brother felt that the entrepreneur was not having a respectable
job. So he felt it is time for stopping this job and enter into business. He
persuaded the entrepreneur to buy the unit. The entrepreneur did not have much
money with him, he had only Rs.20,000/= and the press cost Rs.60,000/=. The
entrepreneur enquired about the press owner and found out that he had married a
neighbour of his. So he spoke to the neighbour and influenced the press owner.
He agreed to take an advance of Rs.20,000/= and the rest minus the Rs.5000/=
commission to be paid in three years.

Business History

Once he started doing business, the technician gave notice saying he is quitting the job due to some personal reasons. Hence he taught the entrepreneur the various intricacies of the printing job. It was not that complicated, as it was a letter press. He learnt everything and started to make money and was able to pay the amount to the owner in the stipulated time. Once all his dues were paid back and he had the press in his name, he realized that letterpress was outdated. It was the age of offset press. He could not afford a big press so he took a loan and bought a mini offset printers. But getting loan took him one year and he lost valuable time. His press now prints notices, registers, notebooks, bills, invitation cards etc. He got business from Hindustan Organic Chemicals Limited (HOC). He used to print all the stationery for them. He used to get Rs.1.5 lakh worth of work every year from the company but now it has come down to Rs. 10,000/-. The organizations have been heavily computerized and the requirement for printed stationery have come down. He will loose this 10000/- work also when the remaining departments are computerised. He feels totally helpless and blames the government for the policies. He says he has applied for a subsidy three years back but nothing has happened. The government is least bothered about the small entrepreneurs. When one starts business, the Electricity inspectors, the Sales Tax personnel, the Income tax personnel, Labour Officer, Panchayat officials etc., all comes for money. The entrepreneur has to take Panchayat license, Collector's license the consent of the neighborhood and many more things. So a businessman has time only for pampering the government officials and not to run the business.

The entrepreneur does not want to shift into another business. He has had a bad experience. After he started the press, the entrepreneur felt that the city did not have a cold storage. Meat and chicken were costly items at that time. So he rented a shop in the same town and put up a cold storage. He bought chicken from a poultry farmer and meat from a butcher. Slowly he felt that he could sell fish

also along with meat. So he made arrangements with a wholesaler in Udayamperoor and started to sell fish. Business was not that good as he thought. The butcher did not supply the required amount of meat, as there was a shortage of meat at that time. Once he bought some costly fish in large quantity. He washed the fish thoroughly and put it for sale. He should not have cleaned the fish as the dirt and the thin covering on the fish would have contributed to the weight. The first day he was able to sell some five kgs only. Unfortunately in the next day's newspaper there was a news about contaminated fish in the market and therefore, there was no takers. So he stopped selling fish. After that he continued selling meat and chicken but the quantity of meat supplied by the butcher was too small to even meet the overhead costs. So finally when the debts to the butcher accumulated, he sold the shop to the butcher. He sold it at a loss of Rs.38,000/=. The butcher was able to run it profitably as he had sufficient meat with him, his relative was a fisherman so had a regular supply of fish. Moreover being a butcher he would kill and dress the chickens himself, which the entrepreneur would never do. So the entrepreneur has learnt that he should not do a business he does not know. He does not want to burn his fingers again.

The entrepreneur says – “I have no intention of becoming a millionaire. We should think of people who do not have even 10% of what we have. We should be able to get our daily bread. This is what I tell my children also. Study well so you can earn your daily bread.”

Observations

The entrepreneur was pushed into business. He never wanted to do business and he never had such a temperament. He had an inclination towards art and it still shows by the way he has printed his visiting card and done up his office. This is the reason why he worked with a photographer. He was working under a famous photographer. Just because he had some difference of opinion with his “master” (

as he likes to call him) he renounced the profession as such. “Even now I will not do it” this is what he says. So he very well knew he was doing something, which he is not equipped to do. He has now got into business and is not able to get out of it as it has brought him lot of debts and to repay them he feels he has to be in business. He has around Rs. 5.5 lakhs to be paid to bank and private financiers.

He tried doing another business, but that too failed. His father too was not able to do the business well. His brother who runs another press in the nearby town is facing similar problems. His third brother and one sister who are not doing any business are living happily according to the entrepreneur.

This is a case similar to a person learning how to ride a bicycle – somebody has pushed him onto it and left him, he very well knows he does not know riding and to stop it he will have to fall. Since he does not want to fall he keeps on riding.

Prime Motivator – Brother

Facilitating factors – support Relatives

Selection of the line of activity – easy to enter

Economic Status – medium in childhood , now also medium

Background – Rural

Case 11

Personal Background

Line of Business : Printing Press

Age : 40 yrs, he started doing business at the age of 36

Marital Status : Married

Religion : Hindu

Caste : Brahmin

Previous Experience: Nil

Education

Has done his BSc. Chemistry. All through his education career, he has passed in second class. The Pre Degree Course (PDC) and BSc were completed in the second attempt. During his PDC examinations, he fell ill and for BSc examinations he was not prepared and did not write. His schooling was in Malayalam medium.

Family Background

The entrepreneur belongs to a famous Brahmin family. The family has a famous temple. Every male member in the family, by turn, performs the pooja. According to the entrepreneur the family does not take the income from the temple and the little amounts received in the temple is used in the temple itself. However from observation it is felt that there is substantial income from the temple which is shared by the family. The temple is prospering well now, and thousands of devotees visit this temple every Sunday. The area around the temple is prospering and buses ply from the temple to Ernakulam.

Father : Has completed SSLC and is a poojari at the temple.

Mother : Has completed SSLC and is a housewife.

Brother: Is 43 years old and has done his PhD in Biochemistry. He is at present a researcher at a Medical University in USA.

Sister : 45 years is a degree holder in Zoology, at present a housewife. Her husband is an agent of ayurveda medicines and has been a partner in the two business ventures of the entrepreneur. He is from a family which has links with traditional Vaidyans.

Wife : Is a postgraduate in Economics and is a housewife.

The Road to Business

The entrepreneur after doing his BSc continued to be a poojari in the family temple. His work in the temple was to be done either in the morning or in the evening. So he had a lot of time to spare. After some time, he felt that he should be doing something else also. This was primarily to improve the social status. He feels that poojaris are respected only inside the temple. He felt that by being a poojari he got spiritual satisfaction but he also wanted to be among the people and do something else too. So he teamed up with his brother-in-law who felt that there was a scope for a good ayurveda hospital. Entrepreneur's brother-in-law was an agent for a branded ayurveda medicine. Also, the brother-in-law's uncle is from a Vaidyan family, which was in the treatment field since his forefather's time. So they had a discussion with the Vaidyan and all together felt an ayurveda hospital would be feasible in Tripunithura, a nearby urban center. So they rented a place at Tripunithura and started a hospital in partnership with his brother in law. They invested Rs.8 lakhs in the hospital. This investment was done over a period of three years without taking any loan. The hospital had good business as they had a good doctor on the roll. However after some time the doctor left. The business declined from then on as a hospital is doctor dependent. The partners learnt about this truth only then. Then they appointed a doctor who had good reputation; but turned out to be too 'patient oriented' and prescribed few medicines and very less treatment. This did not bring in any substantial revenue to meet the overheads and the hospital started making loss. There were some enquiries for some unethical services. Both the partners realized after some time that to get business they had to deviate from ethics, which they were not ready to do. Doing such things was against the conscience of a god-fearing person like the entrepreneur. So he closed the hospital and went on to start a printing press, the present business. This line of business was chosen on the suggestion from a friend of the entrepreneur who was a machine tools dealer. The machine tools dealer was only doing his job and was

trying to sell his machine. The entrepreneur did not realise this. During 1999, the printing business was at a very low ebb following the crash in the real estate business and many small printers had closed shop. However the entrepreneur was planning to start an ayurveda extract unit. He felt that the printing press would be required for printing brochures, notices, packets etc.! So the entrepreneur is just trying to find out a reason to start a business.

Business History

The printing business brought in orders for the first six months without much effort. Then the orders ceased to come and now the entrepreneur has very little work. There wasn't any serious effort made by the entrepreneur to market the press. He has not met the potential customers in Ernakulam which form a very large chunk of the printing business. The reason he stated was that he did not have high quality skilled labour for operating the press! Well he had hired one person at a high rate and one fine day he ditched him. It so happened that they had taken orders for a Christmas material with a deadline. On the last day the operator declined to do the work because it was a work he did not know how to do and he left the place. However, entrepreneur and his other workers finished the job overnight. He again learnt that depending on others for this skilled job is dangerous; earlier it was the hospital.

The total investment for the business was Rs. 25 Lakhs, of which Rs. 15 Lakhs was bank loan, Rs. 7.5 Lakhs from the other partners and Rs. 2.5 Lakhs by the entrepreneur. The partners in the business include his sister and brother in law. They do not have any prominent role to play apart from investing in the business.

Other Issues

The entrepreneur feels that his education (Chemistry graduate) had helped him a lot while conversing with senior ayurveda doctors. He was able to imbibe a lot

about ayurveda from these discussions. This would have helped him if he had started the herbs extraction unit, which he had planned along with his partner while in the hospital business. Also the entrepreneur has a technical aptitude. By the end of the first year, he was able to rectify the minor technical snags that propped up in the printing press from time to time without consulting or taking the help of the service engineers.

Observations

The decision to start a business had risen from the urge to get a recognition in the society and also to get a break from the monotonous life. Another factor could be that his brother is well placed and this would have added to his urge to do the business. Also his brother-in-law was doing business and he managed to influence him in starting a business with him as a partner. All the businesses were started by the entrepreneur based on the recommendation from others and not much of research had gone into it for ascertaining its feasibility. This is one of the reasons why the entrepreneur failed in both the businesses. However, in the case of starting a herb extraction unit he did assess the market. This was actually the opinion of his brother-in-law, who was an agent of an ayurveda brand. This had given him enough knowledge about the ayurveda industry and was able to transfer the knowledge to the entrepreneur.

The entrepreneur was a poojari for 13 years and that easy go life is seen in all walks of his life. In his studies also he never made it in the first attempt. The same is the case with his ventures.

The entrepreneur is a very soft spoken god fearing person. He says he wants to grow up slowly and he is not in a hurry to capture a big market. His unit is only one year old and first he would like to repay the loan he has taken from the bank.

He is not sure about the market in the future and is of a “wait & see” attitude.- He was never an achiever. He also does not have any innovations to his credit.

The entrepreneur had a lot of spare time in between poojas, He was feeling that a poojari of a temple did not have a respectable image in the society while his brother in law, a businessman was commanding good respect. Hence he just plunged into business without gauging the merits and demerits of the ventures. The entrepreneur’s prime motive is to be known as a businessman as long as this is being satisfied nothing else is going to motivate him. He has the money pouring in from the temple. In both the cases he tasted success in the initial stage and he was happy with it.

These kind of entrepreneurs will keep on creating losses and will learn only the hard way. By the time he has learned, he would have exhausted himself and the funds. His poojari style of living has gone deeply into him.

Prime Motivator – Brother in law , Self

Ambition – Higher Social Status

Compelling Reasons – Free time, Idle funds

Facilitating Factors – Support from Relatives

Economic Status – Low in Childhood, now better due to the income from the temple

Case 12

Personal Background

Line of Business : Food Products

Sex : Female

Marital Status : Married

Age : 42; 38 at the time of starting business

Caste : Catholic

Earlier Experience: nil

Education

The entrepreneur studied in a Malayalam medium school at Thiruvalla. She did go for Plus 2 (Group IV), but was not able to clear her exams. She got married and never tried clearing the examinations.

Family Background

Father :Has completed SSLC and was serving in the Indian Army. After retirement he took-up the contract of supplying sand to the Panchayat. Then started a provisional store in the home.

Mother :Has completed SSLC and helps her brother in his food products business.

Brother: Has studied up to PDC and doing his own business. He makes various sweets and snacks at home and sells them to bakeries in the locality at Thiruvalla.

Brother : Has studied up to SSLC and is now working in a private firm in Dubai.

Brother : Has studied up to SSLC and is unemployed.

Husband: Has studied up to MCom and is a clerk in a nationalized bank. He has shown lots of interest in the business of the spouse and has supported her in many ways.

Road to Business

The entrepreneur after getting married settled with her husband in Mulanthuruthi. All the time she had been thinking of doing a food products business, which her brother was doing in Thiruvalla. Her mother and brother were persuading her to do so. Since the children were small and husband was a bit hesitant, she did not venture into a business. She had two children - one boy and one girl. As they grew up, she felt that the income from the husband's job would not be sufficient in

future so she too has to contribute and save for the future requirements. She discussed the issue with her husband and he agreed. Her son also said he would help her in between his studies. So she spoke to her brother and mother and soon all together chalked out the plan of action. Her mother and brother contributed Rs.70,000/- and her husband Rs.30,000/-. With this amount, she started the business. Her brother and mother came and stayed with her for one week and initiated the business.

Business History

The enthusiastic lady entrepreneur started the business with a bang. She supplied her products namely – ‘Achappam’, ‘Kozhalappam’, ‘diamond’ and ‘mixture’- to many shops covering the whole of Cochin city. She used to go in a car with all the materials and supply as per requirements and then collect the money. Being a food product from a new player she had to supply goods on consignment basis. She also found that collecting money from the retailers is a very difficult task. There were many who treated her well, but many retailers used to behave indifferently. In these times when the producers consider retailer as the king and seldom the customer as a king we find many schemes directed to the retailer. When the retailer is given so much of importance it is natural that he takes a demanding position. More when the producer/distributor goes to him to collect the money. The retailer will make many complaints about the product. He will find many ways to delay the payment. So she slowly withdrew from the distribution scene and started concentrating on production. Her husband and son started doing the distribution. They were able to cover a large area but had to do it in between their regular jobs/studies. Therefore, the supply became erratic and hence lost some business. The entrepreneur says that as the products supplied by her are of high quality and are made of quality raw materials, the price was on the higher side. To make the supply regular she and her husband decided to contract a salesman. A person did come but was not a sole representative. He used to take

from many such producers and supply to shops but one fine day he vanished without making any payments. So they employed a person who had an auto rickshaw to supply the products. The person also is not that regular but she feels they have no other option. She tried to increase the price of the product but the retailers did not oblige as already it was on the higher side. Now the sale has come down and they had to retrench a few workers.

Observations

The entrepreneur is fully supported by her husband for conducting the business. Her efforts are primarily on improving the quality of the products. The influence of her brother and mother has been there to a certain extent. She has chosen the same line of business and had been helped by them. Her husband feels marketing is not her forte. He had to move around selling the products in whatever little time he had after his bank job. So the going has not yet smoothed up even after four years. The entrepreneur had started the business to support her family and also to ward off boredom but now is clueless as how she could improve the sales. She feels it will be difficult to increase the price as no retailer will take the product at a higher price. She does not want to lower the quality of the product either. She even complains that there is nobody to go to the flourmill. Her son is planning for higher studies hence she does not have anybody to do the marketing. She feels it would be difficult to proceed in a big way.

The venture has instilled a lot of confidence in her. She has done this with her 'all women' work force. She has allowed some of them to engage in small business and utilize her infrastructure. This helps the workers to earn some money in lean periods.

Prime Motivation : self

Facilitating Factors : Mother, Brother

CHAPTER VI SUMMARY AND CONCLUSIONS

This study examined entrepreneurship in the context of rural Kerala. It dealt with the economic, social, educational and personal background of the entrepreneurs, the factors that have motivated them to enter the field of entrepreneurship and the various competencies of these entrepreneurs. It was observed that since Kerala is a state lacking in entrepreneurial resources, studies on entrepreneurship are few. The present study was meant to fill some of the gaps in the research on entrepreneurship in Kerala. The study is based on the data collected from a sample of 100 entrepreneurs in Mulanthuruthy block in Ernakulam district. Detailed case studies of a sub sample of 12 entrepreneurs were also undertaken to unravel the making of these entrepreneurs.

In general, entrepreneurs belonging to rural areas are not very highly educated. They were also not very good in their academic performance as indicated by their marks in the SSLC examination. The scale of investment is small, barring some exceptional cases. In majority of the cases, people became entrepreneurs at a relatively young age. But entrepreneurship was not the first career in the case of majority of the entrepreneurs. The entrepreneurs are mostly first generation entrepreneurs, meaning that they entered business despite their parents not being in the same field. But, it was observed that the presence of relatives in a similar sector or their previous personal experience in similar lines had a role in determining the selection of the kind of enterprise.

The success or failure of the enterprise seems to be more of an offshoot of individual talents, which as the results indicate is not necessarily shaped by the entrepreneur's economic, personal, social and educational background. Since we are dealing with rural entrepreneurship, where most of the enterprises can be characterized as small, it is not surprising to find relative homogeneity existing

among the enterprises and entrepreneurs. It appears that those differences, which exist, are not very significant enough to cause differences in the performance of units.

The study finds that presence of women in entrepreneurship is limited. It was observed that women's entry was at a comparatively later age. The women run enterprises are characterised by lower levels of investment compared to those run by men. The average investment of the women run enterprises is only about half of those enterprises run by male entrepreneurs. Most of the women entrepreneurs run enterprises producing food products and readymade garments. The study finds that a lesser proportion of women entrepreneurs were previously employed. But women's entry into entrepreneurship is not driven by negative circumstances like husband's unemployment. The study concludes that though women entrepreneurs are slightly disadvantaged due to their background, their performance is slightly better off than that of the male entrepreneurs.

The entrepreneurs indicated that external forces like market conditions, the availability of raw materials, competition, etc. play a crucial role in supporting or hindering business growth. It appears that in the case of these rural entrepreneurs, external forces play a more significant role than their background, in influencing the performance of business ventures.

The present study, sought to understand what motivated educated people to start enterprises as against the common pattern of seeking employment. The entrepreneurs were asked to identify the factors, which motivated them. These motivational factors are broadly classified as prime motivators, motives/ambitions, compelling, facilitating and opportunity factors.

In general, self- inspiration was the most important factor that motivated people to entrepreneurship irrespective of whether they have been making profit or not. This

is true of male and female entrepreneurs. This implies that the prime motivators are the entrepreneurs themselves. They had the urge to start a business on their own. It is to be noted that women gave a high score to motivation by their spouses as against men's low rating on this factor. This implies that women's entry into this profession was supported and motivated by their spouses. With regard to women's entrepreneurship, this is a key indicator. Government agencies have played only a moderate role.

Most of the entrepreneurs ventured into enterprises to support their family. This seems to be the most important motive for starting businesses. This is true for both men and women. The urge to be on one's own rather than working for somebody was the next important motive for starting these enterprises. The entrepreneurs start these ventures primarily to support their family as well as to fulfill their ambition of being on their own. It was observed that earning more money and social status are relatively less important in the case of these entrepreneurs. This reflects the nature of rural entrepreneurship, which still seems to be rooted in basic needs such as supporting the family.

Entry into business is not driven out of compulsion, but seems to be driven by the need to express oneself. Compelling factors such as unemployment and job dissatisfaction were not given high scores by the entrepreneurs. However, both these compelling factors were considered to be relatively more important by the entrepreneurs making loss than successful entrepreneurs. It implies that, people who are compelled to become entrepreneurs are likely to face losses in the endeavours. Our discussion on prime motivators also brings out that the entrepreneurs of the loss making enterprises have lesser self-motivation than successful entrepreneurs. They were also more influenced by the success stories of other entrepreneurs.

The skills and experience one acquires prior to starting a new venture have some influence in facilitating entry into a new venture. Education was not considered to be a major factor. It is likely that the educational system in the State has not given sufficient orientation for developing entrepreneurship capabilities. Opportunity factors such as having good trade information also had limited influence in motivating the entrepreneurs since it is likely that access to information is comparatively difficult in rural areas. This was probably due to the lack of knowledge about ways of securing relevant information. It is also important to note that technically qualified entrepreneurs rated encouragement from friends and relatives as a facilitating factor at a higher level than other groups. Perhaps, the rural community perceives entrepreneurship as an activity meant for the technically qualified and the people with general education has to pursue paid employment.

The study looked at the various competencies of these entrepreneurs. The entrepreneurs were tested on 13 categories of competencies namely, initiative, seeing/acting upon opportunities, persistence, seeking relevant information, concern for high quality work, commitment to work contracts, efficiency orientation, systematic planning, problem solving capability, self confidence, assertiveness, persuasion and the use of influence strategies. Of these variables, four were found to be insignificant for further analysis. The remaining variables were identified as underlying characteristics of the entrepreneur, which are primarily classified into two factors. The first factor, which is indicative of the behavioral style of the individual in dealing with situations, is termed as the approach factor. An orientation to efficiency, persistence, attention to problem solving, information seeking, systematic planning, commitment to work and persuasion falls under this category. The second category, which is termed as the personality factor, is a combination of initiative and self- confidence. This is something, which comes from within the individual, which makes him/her do

certain things, which others may not. Further, it was found that the influence of the 'approach factor' on the entrepreneurial performance was much higher than that of the personality factor. This is significant since it suggests more than the inherent personality of the entrepreneur, it is the approach of the individual to different problems that he/she may have to face that determines entrepreneurial success. While the former can be developed through training and experience, the latter is more of an inherent quality developed over a long period of time. This implies that better orientation towards entrepreneurship in the educational curriculum as well as the training programmes are required to strengthen the entrepreneurship in rural areas.

Bibliography

1. Akbar. M (1993), "Ideology, Environment and Entrepreneurship: Typologies from Islamic Texts and History", The Journal of Entrepreneurship, Vol.2, No.2.
2. Anna. V (1990). "Social-Economic Basis of Women Entrepreneurship", SEDME, Vol.17, No.1.
3. Awasthi, Dinesh.N and Jose Sebastian (1996), Evaluation of Entrepreneurship Development Programmes, Sage Publications, New Delhi.
4. Azad, Gulab Singh (1989), "Development of Entrepreneurship Among Indian Women: A Psychological Analysis", SEDME, Vol.16, No.3.
5. Balakrishnan, Suresh, Gopakumar,K and Rabindra N.Kanungo (1998), "Entrepreneurship Development-Concept and Context" in Kanungo (ed.)
6. Beegam, Rasia.S and M. Sarngadhran (1994), "Female Entrepreneurship in Kerala", Yojana, Vol.38, No 10.
7. Chakravarthy, T.K (1987)," Entrepreneurship Development: Present Status and Emerging Priorities", SEDME, Vol.14, No.4.
8. Cohran, T.C. (1965), "The Entrepreneur in Economic Change", Explorations in Entrepreneurial History, Vol.3, No.1.
9. Dana, Paul Leo (1998), "Models for Entrepreneurship: Towards Cultural Sensitivity" in Kanungo (ed.)
10. Deshpande M.V (1985), "Strategy of Training for Entrepreneurship Development", Prajnan, Vol.2 1, No.3.
11. Flavia, Derossi (1971), "The Mexican Entrepreneur", Development Centre of the Organisation for Economic Co-operation and Development, Paris.
12. Ghosh, Ratna, Gupta, Meenakshi and S. Nina Dhar (1998), "Women and Entrepreneurship in India," in Kanungo (ed.)
13. Guha, Amalendu (1984), "More about Parsi Seths; Their Roots, Entrepreneurship and Compradore Role- 1650-1918", Economic and Political Weekly, Vol.19, No.3.

14. Hartwick, Jon (1998), "Understanding Entrepreneurship Intentions: The Attitudinal Determinants" in Kanungo (ed.)
15. Hem, Streefkerk (1997), "Gujarati Entrepreneurship; Historical Continuity Against Changing Perspectives", Economic and Political Weekly, Vol.32, No.8.
16. Kanungo, Rabindra. N (1998), Entrepreneurship and Innovation: Models for Development, Sage Publications, New Delhi
17. Kumar, Sendil. E (1998), "Theorising in Entrepreneurship- A Review, Critique and Future Directions", in Kanungo (ed.)
18. Manimekalai.N and Mohammed Abdhullah (1998), "Charcol Production and Rural Entrepreneurship", Indian Economic Journal, Vol.45, No.2.
19. Nair K.B, Sivaraman.M and Rabindra.N Kanungo (1998), "Rural Entrepreneurship in a Developing Economy: A Contingency Approach" in Kanungo (ed.)
20. Nath.V (2000), "Entrepreneurship by Region and Castes: A Survey" Economic and Political Weekly, Vol.35, November.
21. Oommen, M.A (1981) "Mobility of Small-scale Entrepreneurs - Kerala's Experiences" Indian Journal of Industrial Relations, Vol.17. No. 1.
22. Oza, A.N (1988), "Integrated Entrepreneurship Development Programmes- The Indian Experience", Economic and Political Weekly, Vol.23, No. 22.
23. Patel. V.G (1991), "Entrepreneurship Development for New Enterprise Creation- Lessons from India", MDI Journal of Management, Vol.4, No.1.
24. Prem.S (1995), "Success of Entrepreneurship Development Programmes: An Evaluative Study", SEDME, Vol.29, No.2.
25. Ramachandran.K and Sougata Ray (1998), "A Framework and Entrepreneurial Typology for Developing a Comprehensive Theory of Entrepreneurship" in Kanungo (ed.)
26. Ramaswamy .K.S (1984) , "Factors Influencing Industrial Entrepreneurship: A Study of Tanners of North Arcot District in Tamil Nadu", Economic and Political Weekly, Vol.19, No.20

27. Ray, Sougatha and K. Ramachandran (1996), "Towards a Framework for a Comprehensive Theory of Entrepreneurship", *The Journal of Entrepreneurship*, Vol.5, No.1.
28. Schumpeter, Joseph (1951), "The Theory of Economic Development", Harvard University Press, Massachusetts, 1951.
29. Sharma N.N (1998), "A Comprehensive Framework for Evaluating Entrepreneurship Development Programmes", Paradigm, Vol.2, No.1.
30. Singh, Nagendra.P (1989) "Entrepreneurship Development: Some Thoughts", MDI Journal of Management, Vol.2, No.1.
31. Tripathi, Dwijendra (1985), "An Integrated View of Entrepreneurship" *Economic and Political Weekly*, Vol.20, No.48.
32. Thangamuthu.S and S. Iyyampillai (1985), "A Social Profile of Entrepreneurship", Indian Economic Journal, Vol.31, No.2.
33. Venkiteswaran, C.S (1990), "Entrepreneurs and Their Socio-Cultural Background", Unpublished Ph.D Thesis, Department of Commerce and Management, University of Calicut, Kozhikkode.