CHAPTER-I
INTRODUCTION

In recent years, entrepreneurship has gained wide popularity around the globe. Entrepreneur is the pivot and prime mover of economic activity in addition to being a propeller of progress. The entrepreneur is an agent for economic change who uses purposeful searching, careful planning and sound judgement when carrying out the entrepreneurial process. Recent years have witnessed a drastic change in the composition of Indian work force. There are large number of people who have changed their orientation towards the job. They have become employment generators now and thus are contributing very significantly to the economic output of the nation.

Entrepreneurship is not only potentially lucrative but it also provides people with challenges and opportunities to maximize their power and autonomy (Heilman & Chen, 2003). The entrepreneurship is beneficial for individual entrepreneur on one hand and aids in development of economy on the other. The presence of entrepreneurs in an economy is a sign of economic growth. Entrepreneurs not only explain the level of income of society, but also its dynamics of change (Cuervo, 2005).

Concept of Entrepreneur and Entrepreneurship

The use of the concept of entrepreneurship goes back a long time both in the French and in the English language. Entrepreneur was originally a French word. It has been a part of the French language since the twelfth century, and the term originally referred to the entrepreneur “as someone who is tough and prepared to risk his own life and fortune” (Landstrom, 2005). The word entrepreneur, being rooted in the verb entreprendre, meaning to do something different (Long, 1983), and to its noun form entrepreneur, documented to be in use in as early as the fourteenth century (Hoselitz, 1960). The term later evolved from the function that the individual undertakes to the individual himself. The word appeared for the first time in the 1437 Dictionnaire de la langue francaise.
(Landstrom, 2005). Later, use of the word entrepreneur appears in the scholarly economic writings of Richard Cantillon (1734/2001). As a precursor of Adam Smith’s economic theory in the “The Wealth of Nations” in 1776, Cantillon introduced the word entrepreneurship which means “to undertake”. He originated the theory of the entrepreneur as a risk taker, characterizing the entrepreneur as anyone who is self-employed, and as someone who has the foresight and willingness to assume risk and take the necessary actions to make a profit or sustain a loss, and thus contributes to the equilibration of a market economy. The past participle of the word is “entrepris,” and in English it translates “enterprise” and has a meaning similar to “getting things done” (The American Heritage Dictionary, 2007).

In 1934, Schumpeter defined entrepreneurship as carrying out new combinations, which see the entrepreneur as someone who seeks opportunities for profits and by doing so; he comes out with new opportunities by innovating. The entrepreneur is one who undertakes to organize, manage and assume the risks of a business. Today, an entrepreneur is an innovator who recognizes and seizes opportunities, converts those opportunities into workable/marketable ideas; adds value through time, effort, money, skills; assumes the risks of the competitive marketplace to implement these ideas; and realizes the rewards from these efforts (Ronstadt, 1984; Stevenson & Gumpert, 1985 and Cunningham & Lischeron, 1991). Schumpeter (1965) defined entrepreneurs as “an idea man and a man of action who possesses the ability to inspire others, who does not accept boundaries of structured situations. He acts as a change agent who is instrumental in discovering new opportunities, which makes for the uniqueness of the entrepreneurial function”. Entrepreneur is an innovative agent, who introduces something new into the economy – a new method of production or a new product, a new source of material or new markets. An entrepreneur’s function is to revolutionize the pattern of production by exploiting an invention or introducing an untried technological possibility for producing a new commodity (Schumpeter, 1971).
The entrepreneur acts as catalyst for change in the world of business. He or she is an independent thinker who dares to be different in a background of common events. The literature of entrepreneurial research reveals similarities, as well as differences, in the characteristics of entrepreneurs. Main characteristics of entrepreneurs are personal initiative, the ability to consolidate resources, management skills, desire for autonomy and risk taking. Other characteristics include aggressiveness, competitiveness, goal-oriented behavior, confidence, opportunistic behavior, intuitiveness, reality-based actions, ability to learn from mistakes and the ability to employ human relations skills (Kent et al., 1982; Montagno & Kuratko, 1986; Begley & Boyd, 1987 and Kuratko, 1997).

Hisrich & Brush (1985) explain entrepreneurship as a process of creating something different with value by devoting necessary time and effort, assuming the accompanying financial, psychic and social risks, and receiving the resulting rewards of monetary and personal satisfaction. Various authors like (Cunningham and Lischeron, 1991; Steward & Roth, 2001 and Kirby, 2005) emphasize that there is no universally accepted definition of entrepreneurship. Vesper (1983) viewed entrepreneurship as “the creation of new independent businesses” whereas Ronstadt (1984) perceived it “as a dynamic process of creating incremental wealth. This wealth is created by individuals who assume the major risks in terms of equity, time, and/or career commitment of providing value for some product or service. The product or service itself may or may not be new or unique but value must somehow be infused by the entrepreneur by securing and allocating the necessary skills and resources”. Moore and Buttner (1997) view entrepreneur as “someone who has initiated a business, is actively involved in managing it, and owns at least 50 percent of the firm”. However, Learned (1992) explains entrepreneur as an individual or individuals who may attempt or who are attempting to found a business.

Global Entrepreneurship Monitor (GEM, 2000) explain entrepreneurship in a broader perspective as “any attempt at new business or new venture creation, such as self-employment, a new business organization, or the
Drucker (1986) has explained the concept of entrepreneurship as that neither it is a science nor an art. It is a practice. It has a knowledge base. Knowledge in entrepreneurship is a means to an end. Indeed, what constitutes knowledge in practice is largely defined by the ends, that is, by the practice. Entrepreneurship is the purposeful activity (including an integrated sequence of decisions) of an individual or group associated individuals (Cole, 1959) while Lockwood (1965) views entrepreneurship as the ability to recognize and exploit economic opportunity.

**Theoretical Foundations of Entrepreneurship**

Entrepreneurship has sustained the interest of motivation research, behavioral scientists and management practitioners. The research on entrepreneurship has grown dramatically over the years. As the field has developed, research methodology has progressed from empirical surveys of entrepreneurs to more contextual and process-oriented approach.

A theory of entrepreneurship is defined as verifiable and logically coherent formulation of relationships, or underlying principles that either explain entrepreneurship, predict entrepreneurial activity (for example, by characterizing conditions that are likely to lead to new profit opportunities to the formation of new enterprise), or provide normative guidance (Amit et al., 1993; Bull & Thomas, 1993; MacMillan & Katz, 1992 and Shane & Venkataraman, 2000).

In the study of contemporary entrepreneurship, one concept recurs: entrepreneurship is inter-disciplinary. As such it contains various approaches that can increase one’s understanding of the field (Gartner, 1990; Herron et al., 1992 and Bull & Willard, 1993). Thus, there is a need to recognize the diversity of theories as an emergence of entrepreneurial understanding. Various schools of entrepreneurial thought are discussed that throw light on the various theories involved in entrepreneurship.
Schools of Entrepreneurial Thought

The concept of entrepreneurship is being investigated at macro and micro levels. The following schools of thought are presenting the concept giving focus on different aspects.

Further, these are classified into six distinct schools of thought, three within each entrepreneurial view.

1) Macro view of Entrepreneurship

Macro view presents a broad array of factors that relate to success or failure in contemporary entrepreneurial ventures. This array includes external processes that are sometimes beyond the control of the individual entrepreneurs, for they exhibit a strong external locus of control point of view.

Three schools of entrepreneurial thought represent a breakdown of the macro view.

i) The environmental school of thought

ii) The financial/capital school of thought

iii) The displacement school of thought

i) The environmental school of thought

It deals with the external factors that affect the potential entrepreneur’s lifestyle. These can be either positive or negative forces in the moulding of entrepreneurial desires. The focus is on institutions, values and morals that, grouped together, form a sociopolitical environmental framework that strongly influence the development of entrepreneurs (Ven, 1993) for example: if a manager experiences the freedom and support to develop ideas, initiate contracts, create and institute new methods, the work environment will serve to promote that person’s desire to pursue an entrepreneurial career. Moreover, another environmental factor that also affects the potential development of entrepreneurs is their social group. The atmosphere of friends and relatives can influence the desire to become an entrepreneur.

ii) The financial/capital school of thought

It views the entire entrepreneurial venture from a financial management standpoint. It focuses on the capital seeking process. The search for seed and
growth capital is the entire focus of this entrepreneurial emphasis (Brophy & Shulman, 1992). Venture capital process is vital to an entrepreneur’s development. The funds needed for start-up, acquisition, cash management, investments, financial analysis and evaluation, corporate buyout and succession planning comes under the purview of this entrepreneurial thought.

iii) The displacement school of thought

It focuses on group phenomenon pointing out that group affects or eliminates certain factors that project the individual into an entrepreneurial venture. Individuals will not pursue a venture unless they are prevented or displaced from doing other activities (Ronstadt, 1984).

There are three major types of displacement such as political, cultural and economic that emphasizes & focuses on different views.

a) Political displacement:

It focuses on factors ranging from an entire political regime that rejects free enterprise to governmental regulations and policies and limit or redirect certain industries.

b) Cultural displacement:

It deals with social group. Ethnic background, religion, race and sex etc. are all examples of factors that figure in the minority experience. Increasingly, this experience will turn various individuals from standard business professions towards entrepreneurial ventures.

c) Economic displacement:

It is concerned with the economic variations of recession and depression. Job loss, capital shrinkage, or simply “bad times” can create the foundation for entrepreneurial pursuits, just as it can affect venture development and reduction.
Figure 1

SCHOOLS OF ENTREPRENEURIAL THOUGHT

Macro view

- The environmental school of thought
- The financial/capital school of thought
- The displacement school of thought

Micro view

- The entrepreneurial trait theory
- The venture opportunity theory
- The strategic formulation theory
2) Micro View of Entrepreneurship

It examines the factors that are specific to entrepreneurship and are part of the internal locus of control. The potential entrepreneur has the ability, or control, to direct or adjust the outcome of each major influence in this view. Unlike the macro approach, which focuses on events from the outside looking in, the micro approach concentrates from the inside looking out. Three schools of entrepreneurial thought represent a breakdown of the micro view.

i) The entrepreneurial trait theory

ii) The venture opportunity theory

iii) The strategic formulation theory

i) The entrepreneurial trait theory

Many researchers and writers have been interested in identifying traits common to successful entrepreneurs (Shaver & Scott, 1991). This approach is grounded in the study of successful people who tend to exhibit similar characteristics that if copied, would increase success opportunities for the emulators. For e.g. achievement, creativity, determination and technical knowledge are four factors that are usually exhibited by successful entrepreneurs. Family development and educational incubation are also examined. Certain researchers have argued against educational development of entrepreneurs because they believe that it inhibits the creative and challenging nature of entrepreneurship (Shapero, 1975). The family development idea focuses on the nurturing and support that exists within the home atmosphere of an entrepreneurial family. This reasoning promotes the belief that certain traits established and supported early in life will lead eventually to entrepreneurial success.

ii) The venture opportunity theory

This theory focuses on the opportunity aspect of venture development. The search for idea sources, the development of concepts, and the implementation of venture opportunities are the important interest areas for this school. Creativity and market awareness are viewed as essential. Developing the right idea at the right time for the right market niche is the key to entrepreneurial
success. This school of thought also proposes corridor principle that entails new pathways or opportunities that lead entrepreneurs to different directions. The ability to recognize these opportunities when they arise and to implement the necessary steps for action are key factors. Proponents of this school of thought believe that proper preparation in the interdisciplinary business segments will enhance the ability to recognize venture opportunities.

iii) The strategic formulation theory

George Steiner has stated that “strategic planning is inextricably interwoven into the entire fabric of management; it is not something separate and distinct from the process of management”. The strategic formulation approach to entrepreneurial theory emphasizes the planning process in successful venture development. Ronstadt (1984) views strategic formulation as a leveraging of unique elements. Unique markets, unique people, unique products or unique resources are identified, used or constructed into effective venture formations.

Though, the knowledge and research available in entrepreneurship are in emerging stage, still various schools of thought can be viewed as a foundation for entrepreneurial theory.

Women Entrepreneurship

Men and women are two wheels of society and contribution of both is essential for building healthy nation. However, the role of women has been glorified by French poet, writer and statesman Lamartine (1790-1869) by saying that “there is a woman at the beginning of all great things” and according to Sir Rabindranath Tagore “women is the builder and moulder of nation’s destiny”.

The liberalization process of the Indian economy has penetrated deep into the lives of people including women. With the pace of liberalization, urbanization, education, technical and political consciousness, women started to undertake economic activities and they also get into the role of an entrepreneur. The role of women in the society is undergoing a radiant change. They are not only fulfilling the family needs by means of effective application of income but now they are income generators too. Although the number is still small as compared to businesses owned by men, but they no longer adhere to the
stereotype that only men can be wage earners in the family. Initially, all the entrepreneurial activities were confined to metropolitans and state capitals. It was only few years’ back that such development came in small towns and villages throughout the country. The general mindset has changed so much that women who manage family with careers are looked upon as capable and competent to handle business independently. A woman has different roles to play in the ever changing social setup. Thus women development is directly related with nation’s development. Historically, in the wake of Raja Ram Mohan Roy’s movement against women subjugation to men and British influence on Indian culture and civilization during 19th century, the position of women has undergone a significant change. The result has been that the Indian constitution today has given women the equal status with men. After the independence, our constitution guaranteed gender equality, and a large number of schemes and programs for women’s development were initiated with the sole objective of empowering women. Truly, if the nation is to grow, it is essential that the participation and living of women folk should be increased. This can be achieved only if women are mobilized towards contributing to the overall national development and growth. But despite these measures, Indian women continue to live and strive in a complex situation of socio-cultural, historical, political and economic realities. In the words of Pandit Nehru, “When women moves forward, the family moves, the village moves and the nation moves...”.

Empowerment is a process of awareness and capacity building, leading to a greater participation and greater decision making power. The process of empowerment strengthens women’s innate ability through acquiring knowledge, power and experience (Murugan and Dharmalingam, 2000). To raise the status of women, they must be empowered socially, economically and politically. Empowerment can serve as a powerful instrument for women to achieve upward social and economic mobility and to achieve power and status in the society. Since the last two decades, women have entered the field of entrepreneurship in a noticeable manner. The routes women followed to take leadership roles in business vary and most of them have overcome or worked to avoid obstacles and
challenges in creating their businesses. The presence of women in the workplace in driving small and entrepreneurial organizations has had a tremendous impact on the employment and on business environments worldwide. Moreover, the growth of their business has also contributed to the global economy, and the economies of their immediate communities and countries (Gundry & Welsch, 2001). Whether women are involved in small or medium scale production activities or in the informal or formal sectors, their contribution to output and value added in the manufacturing sector is substantial, even though it remains partly invisible in official statistics. Women entrepreneurial activities are not only a means for economic survival but also have positive social repercussions for the women themselves and their social environment (UNIDO, 2001).

Entrepreneurship is the core of economic growth & development. In the era of women empowerment throughout the world, the focus has also been placed on the development and growth of women entrepreneurs. The dramatic growth and participation of women in entrepreneurship and the expanding body of research creates a need for generic and theoretical perspectives and research approaches to better understand this phenomenon.

**Growth of Women Entrepreneurship**

Starr & Yudkin (1997) define a female entrepreneur as “a woman who has started her own business” whereas, Moore and Buttner (1997) suggest that “traditional” women entrepreneurs before the 1980s, tended to be proprietors of small, slow growing service businesses with low earnings and few assets. The term “women entrepreneurs” therefore includes self-employed women who work alone in incorporated or unincorporated businesses, as well as business owners who work and employ others in an incorporated or unincorporated business.

However, throughout the past decade, many women have left corporations to start their own firms, which tend to be in the more nontraditional female business sectors such as construction, automotive dealerships and gasoline service stations. In starting a business for oneself, respect, recognition, and self-esteem are gained which are usually the backbone of self-determination and challenge (U.S. Department of Labor, 1999). Researchers have found that
women-owned firms around the world comprise between one-fourth and one-third of the formal economy in the business sector. Therefore, regardless of race or background, women entrepreneurs share some of the same business fears and concerns, but the majority is optimistic about the future of their business (Rosenthal, 1999). As Chestnut (1998) says, “It’s plain and simple: women have economic clout”. Women entrepreneurs do not expect any special favors; they have started making their mark in society; the success ratio is surprisingly high & their industrial family background is not a necessary condition for becoming a successful entrepreneur (Dadalani, 2002). Research findings (Renzulli et al., 2000) also indicate that women are becoming entrepreneurs at a more than proportionate rate compared to men.

The socio-economic and psychological condition of women contributes significantly to the overall growth and development of the country. Participation in the sphere of economic activities at par with men is therefore, necessary for the development of mankind. Entrepreneurship is a concept assumed to be sex-neutral. Even then, in India, women entrepreneurship is still in its infancy. This is because women entrepreneurs are not easily accepted by Indian society (Moitra, 2001). Due to increased education, growing awareness, women have spread their wings to reach the higher levels of 3-Es (Engineering, Electronics and Energy) but the attitude of the society, despite the constitutional provision and proclamation of legal equality, in practice the bias is still the same towards women as it existed in ancient times (Panandikar, 1985).

The socio-economic condition of women is the key for overall growth and development of the country. The growth rate in women owned enterprises in some of the developing countries is higher as compared to the developed countries. During the last two decades, Indian women have made a noticeable progress in the field of entrepreneurship. A respectable increase in Female Work Participation Rate (FWPR) over the decades justifies the same to some extent. Though, there is an improvement in the female work participation rate to an extent but still the journey is not complete, rather it has just begun now. Work force participation rate is the percentage of working population to total
population of a country. A glance at the Figure 2 reveals that the total female work force participation rate in 2001 census at the all India level is merely 25.6 percent. Further, the male Workforce participation rate is 51.7 percent which is almost double of female work participation rate. However, the time spent on non-market activity by women was only 65 percent. The participation of women in professional and technical work force is as low as 21 per cent. Therefore, the organizations concerned with the development of women considered empowerment of women as a solution to these problems. Perhaps, female work participation rate has increased in India since 1971 from 14.2 percent to 25.6 percent in 2001. Underlying reasons for the same could be increase in the literacy rate and awareness among the women folk. In a conventional society like India attaining such a growth rate is a great task because the social and cultural values limit the role of women to family. The dynamic growth & expansion of women owned businesses is one of the recognizable trends of the past decade. The economic role played by a woman cannot be isolated from the framework of development as the role and degree of women’s economic independence and status (Kalaichelvi, 2011).

**Figure 2**

**WORK PARTICIPATION RATES**

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Female WPR</th>
<th>Male WPR</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Haryana</td>
<td>27.2</td>
<td>50.3</td>
</tr>
<tr>
<td>Punjab</td>
<td>19.1</td>
<td>53.6</td>
</tr>
<tr>
<td>Delhi</td>
<td>9.4</td>
<td>52.1</td>
</tr>
<tr>
<td>India</td>
<td>25.6</td>
<td>51.7</td>
</tr>
</tbody>
</table>

Source: Census of India, 2001

**Characteristics of the Entrepreneur**

Some of the key determinants of entrepreneurs are traits of creativity, risk-taking behavior, the need for achievement, the desire for independence and autonomy. The studies discuss both generic traits as well as the socio-cultural environments that favour such determinants.
Various studies aim to identify a psychological and sociological profile of the entrepreneur (Sexton and Bowman-Upton, 1991 and Veciana, 1989). The personality traits commonly identified are (a) need for power that is reflected both in the rejection of powers of others as well as in the need for independence and the search for more power, (b) the need for personal realization, achievement or ambition (McClelland, 1968 and McClelland and winter, 1969), (c) the desire for improving results through action or to feel responsible for them, (d) the tendency to assume risks, and (e) leadership, which although not a personality trait it is affected by it (Pfeffer, 1977). Entrepreneurs tend to show very high self esteem of their own ability to achieve efficiency and control, that is, they believe that they are able to achieve the objectives and influence their environment (Shane, 2003), and of their ability to solve problems (Busenitz and Barney, 1997) that do not require databases or previous experience.

Variables Undertaken in the Present Study
A) Demographic & Socio-economic profile

Socio-economic profile/status is a term implying as many factors in the life of an entrepreneur that an investigator can possibly know. It may refer to the respondent’s past and involve a study over a period of time concerning the socio-economic conditions of their home. It may involve considerations of such factors as the death of a member of the family, divorce, or any other crisis of social or economic nature which influence the development and psychological state of the individuals for the time. Lundberg, in defining the term socio-economic level writes, “we shall be content to say that it is that which, under certain circumstances, makes people beg on the streets, cringe before the local banker, behave arrogantly to the junior, that status which is associated with certain kinds of houses, food, clothes, education, occupation……”. The entrepreneurial and economic performance literature reports that demographic information has been used to predict outcomes in all job areas (Fischer et al., 1993; Bowen & Hisrich, 1986; Robinson et al., 1991 and Boshoff & Scholtz, 1995).
Stephen views socio-economic level as a cluster of factors which includes occupation, income and cultural features of the home. The term socio-economic status is broadly defined to include, social, educational, professional and economic status of parents. Environmental facilities are also taken into account. Generally, the socio-economic status has been confined to three components, levels or elements. They are economic level, occupational level & educational level of the individuals.

For the present study demographic variables include age, educational qualification, type of business, number of employees working under an entrepreneur, business form and occupational experience.

Socio-economic variables include residential status, monetary Investment in business, sources of finance and family history of business.

B) Psychological Attributes

Psychological attributes may include as many aspects that shape the behaviour of an individual.

Decision making styles

Decision-making style is one of the characteristics of the decision-making process (Harren, 1979). It is “the learned habitual response pattern exhibited by an individual when confronted with a decision situation” (Scott & Bruce, 1995). Decision making is a construct linked to human behavior and thus receives scientific consideration in the field of psychology. Thus, decision making is a psychological and cognitive construct. According to Isabel Briggs Myers (1962), a person’s decision making process depends upon to a significant degree on his cognitive style. Three distinctive decision making styles were originally developed by Harren (1979) and have been further developed by Scott and Bruce (1995). Harren’s model consisted of three styles: rational, intuitive and dependent. These were augmented by Scott and Bruce (1995) to include two additional styles i.e. avoidant and spontaneous. According to Scott and Bruce (1995), the rational decision-making style is characterized by “a thorough search for logical evaluation of the alternatives”. The intuitive decision-making style is characterized by “a reliance on hunches and feelings”. The dependant decision
making style is characterized by “a search for advice and directions from others”. The avoidant decision-making style is characterized by “an attempt to avoid decision-making”. The spontaneous decision-making style is characterized by “a sense of the immediacy and desire to get through the decision-making process as soon as possible”.

An entrepreneur as a person may be defined as “who shapes or reshapes business enterprise; who directs and determines its spirit and its strategy by making the major decisions” (Redlich, 1978). An understanding of individual’s decision-making style is vital to the success of his enterprise.

The premise underlying decision research is that the decisions we make on a daily basis shape our lives. Decision-makers are required to make effective decisions to adapt to the changing environment, maintain social competence, and reach goals. However, many circumstances interfere with the decision-making process and influence the quality and adaptability of decisions. The generation, evaluation, and selection of an appropriate decision among several alternatives require a decision-maker to take into account many factors. For instance, the decision-maker must account for situational factors (e.g. risk and uncertainty), personal factors (e.g. personal values, expectations, and knowledge), and practical factors (e.g. the utility of a particular decision) when approaching a set of alternatives (Hastie, 2001 and Nezu & Ronan, 1987).

Thus, the aim of decision research is to identify how these factors interfere (interact) with the decision-making process and subsequently provide suggestions for dealing with the complexity inherent in decision-making.

Scott and Bruce's (1995) defined decision making “the learned habitual response pattern exhibited by an individual when confronted with a decision situation. It is not a personality trait, but a habit-based propensity to react in a certain way in a specific decision context”. According to the (Scott and Bruce, 1995) rational decision makers attribute their destiny to factors inside themselves whereas dependent and avoidant decision makers don't feel control over their own destiny and attribute what happens to them is due to external
factors. There are different types of decision making styles that are described in the forthcoming section.

i) **Rational decision making**

It refers to choosing among alternatives in a way that “properly” accords with the preferences and beliefs of an individual decision maker or those of a group making a joint decision (Jon Doyle, 1998). Rationality may be said to characterize behaviour that is logical in pursuing goals (Dean & Sharfman, 1993). A rational decision making style reflects the use of a thorough search and evaluation of alternatives. It means that an individual makes consistent, value-maximizing choices within specified constraints. The rational model is based on the premise that managers optimize when they make decisions. Optimizing involves solving problems by producing the best possible solution. A rational model proposes that an individual use a following four step sequence while making decisions:

a) Identifying the problem
b) Generating alternative solutions
c) Selecting a solution
d) Implementing and evaluating the solution

ii) **Intuitive decision making**

This style is “characterized by the use of fantasy, attention to present feelings, and an emotional self-awareness as the basis for decision making”. It reflects making decisions on the basis of experience, feelings and accumulated judgment. Intuition may be traced to the Latin word intue or intueri, meaning to contemplate or look within (Zohar & Marshall 2000). The most common explanation is that intuition is the ability of an individual to access stored knowledge and experiences in their subconscious mind. Myers (2002) adds that intuitive behavior also reflects the individuals’ personal history. From the psychology discipline Myers (2002) perceived it as something we do every minute of the day that is the result of unconscious thought. There is not much thought put into the decision for the intuitive decision making. It has been contested that entrepreneurs are intuitive rather than rational thinkers (Carland,
182). Instead of adopting a structured, analytical approach to problem solving, which requires attention to detail, adherence to rules and systematic investigation, it is believed that they prefer a more intuitive approach that requires more holism and synthesis, rather than sequential reasoning and random methods of exploration. However, others contest that although intuition is important, it is more important for certain situations than for others and for certain types of entrepreneur. For example, Olsen (1995) contends that intuition is important in the invention phase of the entrepreneurial process, while Miner (1997) suggests that of the four types of entrepreneur, intuition is an important characteristic of just one i.e. the “expert idea generators”.

iii) Dependent decision making style

This style is “characterized by a denial of personal responsibility for decision making and a projection of that responsibility outside self” Harren (1979). It is illustrated by a search for advice, input and direction from others. Dependent decision makers depend heavily on the opinions of others. The statement often used by dependent decision makers are “what do you think I should do”? or “what would you do if you were me”?

iv) Avoidant decision making style

This decision making style reflects the avoidance of decision making till an individual is forced or constrained to take decision.

Motivation of attributes

It is often said that a person cannot win a game that he/she does not play. In the context of entrepreneurship, this statement suggests that success depends on people’s willingness to become entrepreneurs. (Shane et al., 2003) argues that human motivations influence the entrepreneurial decisions, and that variance across people in these motivations will influence who pursues entrepreneurial opportunities, who assembles resources, and how people undertake the entrepreneurial process. Authors identify several human motivations that influence the entrepreneurial process. Further they conclude that all human action is the result of both motivational and cognitive factors, the latter including ability, intelligence, and skills and also that entrepreneurship is not solely the
result of human action; external factors also play a role (e.g., the status of the economy, the availability of venture capital, the actions of competitors, and government regulations). However, environmental factors being held constant; it is argued that human motivation plays a critical role in the entrepreneurial process.

The concept of motivation appears in the field of psychology. The most encompassing definition of the subject matter of the field of motivation is ‘why’ human and sub-human organisms think and behave as they do. Young (1961) defined motivation broadly as a search for determinants of human and animal activity. Motivational psychologists therefore observe and measure what the individual is doing, or choice behaviour; how long it takes before the individual initiates that activity when given the opportunity, or the latency of behaviour; how hard the individual is working at that activity; or the intensity of behaviour; what length of time the individual will remain at the activity, or the persistence of behaviour; and what the individual is feeling before, during, or after the behavioural episode, or emotional reactions. Thus, motivation is the study of the determinants of thought and an action; it addresses why behaviour is initiated, persists, and stops, as well as what choices are made. In attempting to develop a scientific explanation that examines these questions, researchers have formulated general theories that are guided by metaphor of what a person “is”. The roots of motivational theories that have been developed can be traced back to seminal contributions of Descartes and Darwin, for these giants provided new metaphors or ways of thinking about human motivation, shedding light on the unknown by making comparisons to that which is known.

v) Need for achievement

According to Atkinson and Feather (1966) the achievement motive is conceived as a latent disposition which is manifested in overt striving only when the individual perceives performance as instrumental to a sense of personal accomplishment.

The degree to which people with strong underlying achievement motivation show achievement oriented behavior depends on many factors. One
of these is the fear of failure which inhibits the expression of achievement behavior (Atkinson, 1964 and Atkinson & Birch, 1978). For people in whom fear of failure is low relative to the need for achievement (nAch), achievement motivation expresses itself in many ways (McClelland & Winter, 1969 and Hoyenga & Hoyenga, 1984). People high on need for achievement prefer to work on moderately challenging tasks which promise success. They do not like to work on very easy tasks, where there is no challenge and so there is no satisfaction of their achievement needs; nor do they like very difficult tasks, where the likelihood of their success is low. Thus, they are likely to be realistic in their tasks, jobs, and vocations they select; that is, they are likely to make a good match between their abilities and what will be demanded from them.

High achievers tend to be persistent in working on tasks they perceive as career-related or as reflecting those personal characteristics (such as intelligence) which are involved in “getting ahead” they like to work in situations in which they have some control over the outcome; they are not gamblers.

According to Atkinson (1957) high need achievers possess more motivation to approach success than to avoid while in the low achievers the reverse is true. This concern for success leads high achievers to assume responsibility for success, even when that success may be just as likely the result of chance or ease of the task (Kukla, 1972).

Need for achievement refers to a tendency to strive for success against some standard of excellence. McClelland (1961) defines achievement motivation as “a desire to do well, not so much for the sake of social recognition or prestige, but to attain an inner feeling of personal accomplishment”. A number of characteristics define achievement oriented people. They work harder when they perceive that they will receive personal credit for their efforts, when the risk of failure is only moderate, and when they receive specific feedback about their past performance. People with a high drive for achievement take responsibility for their actions and results, control their destiny, seek regular feedback, and enjoy being part of a winning achievement through individual or collective effort.
Achievement theories propose that motivation and performance vary according to the strength of one’s need for achievement. The need for achievement is defined by the following desires: to accomplish something difficult, to master, manipulate, or organize physical objects, human beings, or ideas. To do this as rapidly and as independently as possible; to overcome obstacles and attain a high standard; to excel one’s self; to rival and surpass others; to increase self-regard by the successful exercise of talent. McClelland (1961), associated need for achievement with entrepreneurial behavior. According to McClelland (1962), high achievers take personal responsibility, set moderate achievement goals, take calculated risks and value concrete feedback regarding performance. Based on the results of his series of studies on need for achievement, McClelland (1961, 1965) claimed that such behaviors correlate strongly with “entrepreneurial” success. Indeed, “he hypothesizes that an individual with a high achievement motivation will be attracted to the business world because the existing situations will compliment his achievement motivation in terms of risks, personal achievement, unambiguous feedback in the form of profits, and specific accomplishments” (Palmer, 1971). Although McClelland’s work has generated numerous criticisms for a number of reasons such as biased data selection, analysis, and interpretation (Johnson, 1990), need for achievement is one of the most frequently cited entrepreneurial traits in literature (Gurol and Atsan, 2006) and it is the strongest predictor of entrepreneurship (Pillis and Reardon, 2007). After reviewing several studies, Johnson (1990) found that in spite of the variations in samples studied, operationalization and measurement of achievement motivation, there is fairly consistent relationship between achievement motivation and entrepreneurial behavior. The role of achievement in entrepreneurial behavior has continued to attract interest among entrepreneurship scholars.

vi) Need for affiliation

It refers to the need for social acceptance and involves positive affective relationship with another person. It has been conceived as a recurrent preference in thought and behavior for “establishing, maintaining, and restoring a positive
affective relationship” (Atkinson et al., 1954). Psychologists infer the motivation to affiliative; when one takes pleasure from the mere presence of or contact with another or feels displeasure by being separated from another. The motivation to affiliate reflects a need or desire for physical and emotional closures and is similar to what people call love. According to Harlow & Hanke (1975) the need for affiliation is love need which leads to a hope for affiliation rather than a fear of rejection. A person with a strong need for affiliation disposition is interested in establishing or repairing affiliative relations and in seeking warm personal relations with others. Buss (1986) also defined affiliation need as affection or feelings related to liking and love. According to Winter (1993) the affiliation and intimacy motives involve a concern for warm and close relations with other people. They are associated with cooperative and friendly behavior, at least when the situation is perceived as “safe”.

Psychologists have provided evidence for the capacity of affiliation to reduce the experience of negative emotions related to fear provoking or stressful situations. McClelland (1982) said that affiliation is an important motive and can reduce the negative effects of stress. Caring for others and being cared for by others can counteract some of the potential from stemming from a high powerful lifestyle.

Hill (1987) focused on four dimension of affiliation motivation: a) positive stimulation as the ability of affiliation to provide enjoyable affective and cognitive stimulation; b) attention as the potential for enhancement of feelings of self-worth and importance through praise and the focusing of other’s attention on oneself; c) social comparison as the capacity for reduction of ambiguity through the acquisition of self relevant information, and d) emotional support or sympathy. Furthermore, the desire for contact with others is assumed to be enhanced in situation that makes a certain type of interpersonal incentive available, but to the greatest extent for individuals who value that specific incentive.

People with high need for affiliation prefer to spend more time maintaining social relationships, joining groups, and wanting to be loved.
Individuals high in this need are not the most effective managers or leaders because they have a hard time making difficult decisions without worrying about being disliked. Achievement oriented people work harder when their supervisors provide detailed evaluations of their work behavior. But people with affiliation motives work better when they are complimented for their favorable attitudes and cooperation. People with strong need for affiliation may have difficulty being good entrepreneurs. Although high concern for positive social relationships usually results in a cooperative work environment where employees genuinely enjoy working together, managerial overemphasis on the social dimension may interfere with the vital process of getting things done. Affiliation–oriented entrepreneurs may have difficulty assigning challenging tasks, directing work activities, and monitoring work effectiveness with their subordinates.

vii) **Need for approval**

This refers to ‘attempts to achieve’ favorable evaluations from other members of society. The approval motive is a personality characteristic that includes both ‘dependence on evaluation of others’ and ‘avoidance of self-criticism’. Crowne & Marlowe (1960) formulated the construct of need for approval to measure the extent to which persons attempted to gain approval by appearing to possess socially desirable characteristics. They emphasized that the goals of approval dependent people include social recognition, social dependence, love and attraction, positive self-presentation and denial of inadequacies. Although the approval motive is conceived of in a rather simplistic theoretical framework, but subsequent researches have shown that this motivational variable is more complex and extremely rich in its referents. It does not consist of energisation of behavioural tendencies for seeking approval from others, it also consists of ‘fear of disapproval’ (Ford, 1964 & Crandall et al., 1969), ‘denial of hostility’ (Lavoie, 1974), sensitivity, conformity and defensiveness (Branningan, 1977). It has “value and expectancy components” (Allaman et al., 1972).
Tiwari (1983) suggested that a two-fold concept consisting of motive to seek approval and motive to avoid disapproval is more adequate than the global concept of approval motive, as high need for approval is not a guarantee that the person will try to actively involve himself in approval seeking behaviours. Aijaz & kureshi (1991) have proposed that approval motive tends to involve reliance on the evaluative judgments of others which is believed to come from two factors a motive to seek approval-approach behaviour and a motive to shun disapproval-avoidance behaviour. A social desirability scale was developed by Crowne & Marlowe (1964) to investigate the characteristics of people high on need for approval. They described a person high on approval motive as an individual who needs to gain approval constantly from others, who is afraid of rejection if he behaves unlike others and who often conforms to group pressures and cultural norms.

Berger et al. (1977) opined that high need for approval scorers avoid situations which are heavily evaluative. They choose to avoid rather than obtain the evaluation of others by social conformity and compliance and by avoidance of situations. Thus, they proposed that for high need for approval scorers, primary motivation is to avoid disapproval than to seek approval. Furthermore, they concluded that the behavior of the high need for approval scorers reflect a defensive, self-protective process termed as ‘vulnerable self-esteem’.

Studies conducted by Tripathi and his coworkers have indicated that high approval motivated subjects were easily conditionable in a verbal conditioning task (Tripathi, 1979), perceived social stimuli in a normative and conforming manner (Tripathi, 1978), were more external (Mishra and Tripathi, 1981) and were higher on dependence proneness (Tripathi,1982) in comparison to subjects low on need for approval.

viii) Need for power

Power is the capacity of a person to act and influence others. A person gets power by virtue of his intelligence, knowledge, skill and other personal traits. It is neither completely formal nor informal. Power motive is a learned need to be in control of events or persons usually at another’s expense.
According to Winter & Barenbaum (1985) the power motive involves a concern for impact and prestige. This impact may be sought through more direct efforts to control, influence, impress or help others (Mason & Blankenship, 1987).

The goals of power motivation are to influence, control, persuade, lead, charm others and to enhance one’s own reputation in the eyes of other people. It can be expressed in many ways, the manner of impression depends greatly on the person’s socio economic status (Hoyenga & Hoyenga, 1984), sex (Hoyenga & Hoyenga, 1979), level of maturity (McClelland 1975), and the degree to which the individual fears his or her own power motivation (McClelland, 1975).

It refers to the needs to master and control one’s environment. It is a drive to influence people, take control, and change situations. Power motivated people wish to create an impact on their organizations and are willing to take risks to do so and they may excellent managers if their drives are for institutional power instead of personal power. Institutional power is the need to influence others behavior for the good of the whole organization. People with this need seek power through legitimate means, rise to leadership positions through successful performance, and therefore are accepted by others. However, if an employee’s drives are towards personal power, and then person tends to lose the trust and respect of employees and colleagues and may come as an unsuccessful organizational leader.

**Entrepreneurial Attitude Orientation Attributes**

The work of Robinson et al. (1991) was one of the first to incorporate an attitude scale to predict entrepreneurial activity. An advantage of using an attitude approach is that it can be more domain-specific, which increases the correlation with actual behavior and reduces unexplained variability. Attitudes tend to change across time and situations through an interactive process with the environment, and once a person’s attitude has been measured, a prediction can be made about the person’s future actions (Carlson, 1985). Robinson et al. (1991) developed the Entrepreneurial Attitude Orientation (EAO) model based on the four constructs of goal accomplishment, innovation, personal control, and self esteem in business.
ix) Goal Accomplishment

A goal is a result that a person, team, or group is attempting to accomplish through behavior and actions. Locke (1990) proposed that goal setting is a cognitive process of some practical utility. He views that an individual’s conscious goals and intentions are the primary determinants of behavior. (Locke & Latham, 1990, 2002) developed goal-setting theory inductively within industrial/organizational (I/O) psychology over a 25-year period, based on some 400 laboratory and field studies. These studies showed that specific, high (hard) goals lead to a higher level of task performance than do easy goals or vague, abstract goals. So long as a person is committed to the goal, has the requisite ability to attain it, and does not have conflicting goals, there is a positive, linear relationship between goal difficulty and task performance. Because goals refer to future valued outcomes, the setting of goals is first and foremost a discrepancy creating process. Goals are related to affect in that goals set the primary standard for self-satisfaction with performance. High, or hard, goals are motivating because they require one to attain more in order to be satisfied than do low, or easy, goals. Feelings of success in the work place occur to the extent that people see that they are able to grow and meet job challenges by pursuing and attaining goals that are important and meaningful. High goals lead to greater effort and/or persistence than do moderately difficult, easy, or vague goals. Goals direct attention, effort, and action toward goal-relevant actions at the expense of non relevant actions. Because performance is a function of both ability and motivation, goal effects also depend upon having the requisite task knowledge and skills. Goals may simply motivate one to use one’s existing ability, may automatically “pull” stored task-relevant knowledge into awareness, and/or may motivate people to search for new knowledge. The latter is most common when people are confronted by new, complex tasks. As we will show, such searches may or may not be successful.

x) Innovativeness

It is an important element of entrepreneurship. Hebert and Link (2006) view that entrepreneur is one who has worn many faces and has played many
roles. One out of those roles is as an innovator. Henry ford, exemplified entrepreneurs as, entrepreneurs tend to tackle the unknown; they do things in new and different ways; they weave old ideas into new patterns and they offer more solutions than alibis. Being such a significant component of entrepreneurial psyche, innovativeness has been the subject matter of a string of past studies (Hornaday & Aboud, 1971; Timmons, 1978; Brockhaus 1982; Carland et al., 1984,1988,1991,1996 & 1997; Gartner 1990 and sexton & Bowman-Upton, 1990). In the view of Drucker (1985), “innovation is the specific tool of entrepreneurs”. Robinson et al. (1991) point out that innovation in business is related to “perceiving and acting upon business activities in new and unique news”. Many authors argue that innovation distinguishes entrepreneurs from managers (Carland et al.1984 and Steward et al., 1999). Empirical research findings also support this notion that entrepreneurs are more innovative than non entrepreneurs (Gurol and Atsan, 2006; Koh, 1996 and Robinson et al., 1991). Mueller & Thomas (2001) point out that innovation is a primary motive in starting a business venture. A number of studies have shown that it also has a significant effect on venture performance (Utsch & Rauch, 2000).

Innovation plays a considerable role in the presence or absence of entrepreneurship. Highly innovative entrepreneurs will likely experience positive results in terms of new technologies, products, services or processes within their respective fields (Tan, 2007).

**xi) Personal Control**

One concern people have when they consider forming a new venture is whether they will be able to sustain the drive and energy required not only to overcome the inertia in forming something new but also to manage the new enterprise. Personal control reflects individuals' beliefs regarding the extent to which they are able to control or influence outcomes. A wide variety of theorists have emphasized the importance of perceptions of personal control and have suggested that the desire to control the world around us (i.e. the desire for behavior-event contingency or personal control) is a fundamental characteristic
of human beings (Schultz et al, 1994; Haidt & Rodin, 1995 and Rothbaum et al., 1982). Reflecting these varied theoretical perspectives (as well as the extensive research interest in the concept of perceived control), the literature exhibits varying conceptualizations of "perceived control" (Skinner, 1996). The concept of "locus of control" is derived originally from Rotter's social learning theory (Rotter, 1966; 1982) which focuses on "beliefs that individuals hold regarding relationships between actions and outcomes" (Lefcourt, 1991). Three of the nine research studies of Rotter’s internality-externality (I-E) dimensions of entrepreneurs depicted them as having a sense of control over their lives, which is, being internals. One study indicated that entrepreneurial intentions associate with internality, and another reported a positive correlation between career success and internality (Jennings & Zietham, 1983 and Rotter, 1990). Two studies of entrepreneurs under stress revealed mixed results. Some entrepreneurs under stress shifted toward greater internality, while others shifted toward greater externality. Studies of 31 entrepreneurs in St. Louis indicated that more successful entrepreneurs were decidedly internal, and that entrepreneurs overall were more internal than the general population, but not more so than male managers (Brockhaus, 1980 and Brockhaus & Nord, 1979). Therefore, personal control of business outcomes concerns one’s perception of control or influence over his or her business. Entrepreneurs are believed to possess a high internal locus of control to believe that the achievement of a goal is dependent on their own behaviour or individual characteristics. However, the results of empirical research into this are inconclusive. Some (Cromie 1987 and Cromie & Johns, 1983) have found significantly higher “internal” scores compared to experienced managers, while others (Brockhaus & Nord, 1979 and Cromie et al., 1992) have found no differences between the scores of these two groups. Additionally, it has been suggested, as Cromie (2000) has recognised, that high achievers will also exhibit these behaviours, and there is conflicting evidence (Chen et al., 1998 and Hull et. al. 1980) about whether locus of control or need for achievement is the more fundamental entrepreneurial attribute. Entrepreneurs want to be in control – hence they have been found to have a higher need for autonomy and a greater
fear of external control than many other occupational groups (Caird, 1991 and Cromie and O'Donoghue, 1992). They value individualism and freedom more than do either the general public or managers and they have a dislike of rules, procedures and social norms. As a consequence they have a difficulty in functioning in constraining environments that stifle creativity and can experience difficulty relating to others.

xii) Self-Esteem

It is a belief about one’s own self-worth based on an overall self-evaluation. Self-esteem refers to an individual’s overall self-evaluation of his/her competencies (Rosenberg, 1965). It is that self-evaluation and descriptive conceptualization that individuals make and maintain with regard to themselves. In this sense, self-esteem is a personal evaluation reflecting what people think of themselves as individuals. Korman (1970) views that self-esteem reflects the degree to which the individual “sees him/her self as a competent, need – satisfying individual”. Thus, the high self-esteem individual has a “sense of personal adequacy and a sense of having achieved need satisfaction in the past” (Korman, 1966). In addition to reflecting cognition about oneself, Pelham & Swan (1989) note that self-esteem also consists of an affective (liking/disliking) component -high self-esteem people like who and what they are.

People high in global self-esteem agree with statements like “I am a person of worth, on an equal plane with others” and “I am satisfied with myself” (Rosenberg, 1965). The self-esteem construct is usually conceptualized as a hierarchical phenomenon. As such, it exists at different levels of specificity, commonly seen in terms of global, and task or situation- specific self-esteem (Simpson & Boyle, 1975). As a multifaceted conceptualization of the self, a scholar (Korman, 1970) generally agrees that self-esteem may also develop around a number of other dimensions e.g. the social, physical, academic and moral-self.

Personal Attributes:

A number of studies have examined the relationship among the various personal attributes and entrepreneurial success reporting different results.
xiii) Creativity:

Like all other psychological variables there are quite a large number of definitions of creativity available. There are some psychologists who emphasize creativity as psychological process and there are others who consider creativity as a product. According to Philip Lawrence Harriman the author of dictionary of psychology, creative thinking implies a function which results in, “the achievement of a new relationship among the parts of experience which has four stages: preparation, incubation, inspiration or illumination and verification. The creative idea (the third stage) comes as a flash of insight or a sudden thought”.

According to Howard Warren Dictionary of psychology creativity can be defined as the capacity of certain individuals to produce certain compositions of any sort (works of art, mechanical devices, etc.) which are essentially novel, or which were previously unknown to the producer. The late Dr. E. Paul Torrance, a pioneering creativity researcher for over 60 years, is widely considered the “Father of Creativity.” Torrance defined creativity as “the process of sensing problems or gaps in information, forming ideas of hypotheses, testing, and modifying these hypotheses, and communicating the results. This process may lead to any one of many kinds of products—verbal and nonverbal, concrete and abstract” (Torrance 1963). This definition subsumes such creative “products” as works of art, but through the intentional use of scientific terminology (e.g., “hypotheses”), Torrance intended a more inclusive definition that included “inventions, medical discoveries, books, [and] monographs” (Torrance 1977) while Sternberg (1999) defines creativity as “the ability to produce work that is both novel (i.e. original, unexpected) and appropriate (i.e. useful, adaptive concerning task constraints)”. Much of the entrepreneurial literature suggests that entrepreneurs are more creative than others (Timmons, 1989 and Whiting, 1988). Certainly entrepreneurs tend to think in non-conventional ways, to challenge existing assumptions and to be flexible and adaptable in their problem-solving. All of these are integral to creativity and the creative process (Kirton, 1976 and Solomon & Winslow, 1988), though some would argue that entrepreneurs are not so much creative as opportunistic. Rather than creating the
new idea, they see opportunities and make them happen. Research by Utsch and Rauch (2000) suggests that there is a powerful link between innovativeness and venture performance and that innovativeness is linked to achievement orientation. Whereas people with a low achievement orientation avoid innovation, give up quickly, demonstrate little effort and lack self-confidence, entrepreneurs with high achievement orientation exert considerable effort and persist in the face of problems and barriers.

xiv) Delegation of Authority

This refers to granting authority to people at lower levels. This amounts to power distribution in an organization. The term authority is commonly understood as the right of full power or the right to command. It is the linking between a superior and the subordinates. It is only the authority which creates Superior-Subordinates relationship. In a small business enterprise, the authority may be centralized in a few hands. As the business grows there is a need to delegate authority to more and more people to cope with the expansion of works. Authority always flows from the top to the bottom. It should be stated clearly so that every individual in the organization is aware of the scope and the limits of the authority. Authority is the formal right vested in a managerial position, to decide, direct and to influence the behaviour of subordinates with a view to achieving organizational goals. According to Henri Fayol, authority is “the right to give orders and power to exact obedience”. While Chester Barnard views, “Authority involves the character of a communication or order in the formal organization on the basis of which it is accepted by the members of the organization as governing the action he contributes”.

However, E. F. L. Bech States- “Authority means power to issue valid instructions according to which subordinate personnel act”. Entrepreneurs decide how much authority should be delegated to each job and each job holder. Authority refers to individual’s right to make decisions without being approved by higher management. Delegation of authority is a process by which authority is distributed downward in an organization. The degree of delegated authority can be relatively high or low. Any particular job involves a range of alternative
configurations of authority delegation. Entrepreneurs while delegating authority must balance the relative gains and losses of alternatives (Akro. et al., 1999).

**xv) Risk Taking Propensity**

One of the most widely cited descriptions of entrepreneurs or entrepreneurship is the willingness to assume risk. Individuals who are willing to accept the uncertainty and risk associated with being self-employed as compared to settling for the refuge of jobs within organizations are often considered being entrepreneurs. Moreover, risk taking requires the entrepreneur to be prepared to make resource commitment to projects with high risks and returns, instead of those with moderate risks and returns. “Entrepreneurship is historically associated with risk taking” (Gurol & Atsan, 2006). According to Mill (1984), who introduced the term “entrepreneurship” to economics, risk-bearing is the key variable in distinguishing entrepreneurs from managers (Cunningham & Lischeron, 1991). Several writers suggested that the act of venture creation primarily involves risk; which may be financial and/or psychological. Classic economic theory suggests that entrepreneurs are risk-takers. By the very nature of their activities and roles in economy and society, it is clear that entrepreneurs cannot be averse to risk. However, there is no apparent consensus with respect to risk-taking, and the prevailing belief appears to be that entrepreneurs are more predisposed to take calculated risks than are other sectors of society (Caird, 1991 and Cromie & O’Donoghue, 1992), and that they are more able to cope with the consequent ambiguity and uncertainty than are non-entrepreneurs (Koh, 1996). A number of empirical research results also support this notion that entrepreneurs are risk-takers. However, results indicate that entrepreneurs prefer to take moderate risks in their business decisions; they do not like to be involved in situations where there is extreme risk or uncertainty (Cunningham & Lischeron, 1991; Koh, 1996 and Thomas & Mueller, 2000). Timmons (1989) state that entrepreneurs tend not to be gamblers but they assess and measure risks carefully. However, compared to other groups such as managers, non-entrepreneurs, and teachers, entrepreneurs are found to have higher propensity to take risk (Cromie, 2000). The meta-analysis of Steward & Roth (2001) also
indicated that the risk taking propensity of entrepreneurs is greater than that of managers. On the other hand, Busenitz (1999) suggested that entrepreneurs and non-entrepreneurs do not differ in their risk propensity but in how they perceive risk. Entrepreneurs may be taking more risky paths in their proposed ventures as they perceive less risk compared to managers. Findings of Koh (1996) and Gurol & Atsan (2006) showed that entrepreneurially inclined students have significantly higher scores in risk-taking than non-entrepreneurially inclined students.

Brockhaus (1980) defined risk as “the perceived possibility of receiving the rewards associated with success of a proposed situation, which is required by an individual before he will subject himself to the consequences associated with failure, the alternative situation providing less reward as well as less severe consequence than the proposed situation”. Thus, risk taking is an important component of a strong entrepreneurial orientation.

C) Entrepreneurial Success

Although success originally referred to any positive outcome, it has become increasingly associated with wealth & prestige (Oxford English Dictionary, 1971). Growth and profitability have been identified as the two most relevant aspects to judge the entrepreneurship performance. Besides these, societal impact and personal satisfaction are also important but relatively less relevant than growth and profitability (Bennett & Dann, 2000; Litlunen & Tohmo, 2003 and Paige & Littrell, 2002). However, success is defined as intrinsic criteria that includes freedom and independence, controlling a person’s own future and being one’s own boss; while extrinsic outcomes are increased financial returns, personal income and wealth (Paige & Littrell, 2002) while Mauso et al. (2002) defined business success in terms of economic & financial measures that includes return on assets, sales, profits, employees and survival rates and non-pecuniary measures such as customer satisfaction, personal development and personal achievement.

In this present study we have defined success objectively on the basis of monthly income earned by a women entrepreneur. Entrepreneurial success is
used to measure the extent of success of women entrepreneurs. Through literature available on entrepreneurial success, we included two major aspects to determine the degree of entrepreneurial success. Viz. Profitability and capacity utilization (for manufacturing units). But as data collection was done and compiled author came to know that there are quite a few number of manufacturing units. The number was so less that it was decided to drop the criteria of capacity utilization and profitability was only considered to be the criteria for entrepreneurial success.

For the purpose of the present study, success is categorized into four categories: low success, moderately low success, moderately high success, and high success depending on the net monthly income/profit earned. The gradation is as follows:

Low Success: A women entrepreneur who earns a net profit/income up to ₹10,000 per month is classified as low success group.

Moderately Low Success: A women entrepreneur who earns a net profit/income ranging from ₹10,001-20,000 per month is classified as moderately low success group.

Moderately High Success: A women entrepreneur who earns a net profit/income ranging from ₹20,001-30,000 per month is classified as moderately high success group.

High Success: A women entrepreneur who earns a net profit/income more than ₹30,000 per month is classified as high success group.

Rationale of the Problem:

The issue that has consistently been agitating the minds of all concerned including the economists, behavioral scientists, management practitioners and even government is to get maximum contribution of the workforce to the economy. Efforts have been made independently and jointly by all concerned to explore the role of women as income generators and their significant contribution in monetary terms to economy. Behavioral scientists have particularly been concentrating on certain psychological traits and other relevant behavior pattern of successful entrepreneurs. There are some specific attributes
of behavior patterns exhibited of successful entrepreneurs such as high need for achievement, calculated risk taking, creativity and innovativeness.

Existing review of research indicates gradual convergence of interest in the socio-psychological factors that contributes to success. It has been realized that these factors influence the process of decision making to start an enterprise and making it a success; thus, have a greater significance to be investigated, how specifically contribute to entrepreneurial success.

Though a number of psychological factors have been investigated by the earlier researchers; most of the researches have identified the characteristics like initiative, independence, internal control, achievement and openness to feedback necessary for successful entrepreneurship (Schwartz, 1976; Bhattacharya, 1979; Hornaday & Aboud, 1971; Mitchell, 2004 and Mashiuddin, 1980). Research literature clearly demonstrates that higher level of achievement, motivation, creativity, innovativeness, self-esteem, work accomplishment leads to higher entrepreneurial success. Bhattacharya (1979) developed a behavioural model and identified a particular level of need for power, need for affiliation and need for achievement for the potential entrepreneur. Mitchell (2004) & Cromie (1987) identified need for achievement and need for independence as prime motivators for entrepreneurs. Carter and Cannon (1992) found challenge and independence to be leading motivators for entrepreneurship. Koh (1996) reported need for achievement, locus of control, propensity to take risk, innovativeness as most desirable characteristics for an entrepreneur whereas, Stenholm (2011) reported innovative behaviour to show positive effect on the firm’s growth and performance. The above mentioned studies have been undertaken in organized sectors and the present study has been designed to focus on the unorganized sector. Moreover, the attributes may be studied jointly rather than in isolation so that the joint contribution of demographic attributes, socio-economic attributes and psychological attributes on the entrepreneurial success may be investigated. The positive relationship between entrepreneurial success and underlying factors has been questioned by many. This state of affairs clearly points towards the need of studying the impact of various attributes on entrepreneurial success.
Women entrepreneurship needs to be studied separately for a prime reason that it has been recognized during the past decade as an important untapped source of economic growth. Moreover, it has been largely neglected both in social sciences and society in general. Therefore, the present study endeavors to investigate the relationship between various demographic, socio-economic and psychological attributes and a measure of women entrepreneurial success. Psychological attributes being the most stable structures in the individual is functionally influential in determining one’s behavior as an entrepreneur. Most of the earlier studies have investigated entrepreneurship in general. The socio-economic and psychological condition of women contributes significantly to the overall growth and development of the country. Thus considering theoretical and applied importance of the concept of entrepreneurship, entrepreneurial success and underlying psychological variables, the present study was proposed.

The present study is an attempt to examine the relative contribution of socio-economic variables, demographic variables and psychological variables to the success of an enterprise owned by women belonging to Punjab, Haryana or Delhi. In the light of the same, the present study has been designed to explore the relationship between various demographic, socio-economic, psychological attributes and women entrepreneurial success.

**Statement of the Problem**

The problem of the present study is stated as:

“WOMEN ENTREPRENEURSHIP IN RELATION TO PSYCHOLOGICAL, DEMOGRAPHIC & SOCIO-ECONOMIC ATTRIBUTES”

**Objectives**

1. To study the nature and level of demographic, socio-economic attributes and entrepreneurial success.
2. To study the relationship between psychological attributes i.e. (decision making style (rational, intuitive, dependent, avoidant); motives (need for achievement, need for affiliation, need for approval and need for power); entrepreneurial orientation attributes (goal accomplishment, innovation,
self-esteem, personal control) and personal attributes (creativity, delegation of authority and risk taking propensity)) and entrepreneurial success.

3. To study the relationship between demographic variables i.e. age, education, type of business, occupational experience, number of employees working with an entrepreneur, residential status and entrepreneurial success.

4. To study the relationship between socio-economic variables i.e. family history, sources of finance, monetary investment and entrepreneurial success.

5. To examine the predictive value of psychological attributes for the entrepreneurial success.

6. To suggest measures for the growth & development of entrepreneurship in north India.
Schemes for Promotion of Entrepreneurship

Development of women has been a policy objective of the government since independence. In 1970’s, there was an inclination towards development approach that recognized the dual role of men and women as human resources towards process of development. Gradually in the 1980s Women were given priorities in all the sectors including SSI sector. Government and non government bodies have paid increasing attention to women’s economic contribution through self employment and industrial ventures.

The First Five-Year Plan (1951-56) envisaged a number of welfare measures for women. Establishment of the Central Social Welfare Board, organization of Mahila Mandals and the Community Development Programmes were a few steps in this direction.

In the second Five-Year Plan (1956-61), the empowerment of women was closely linked with the overall approach of intensive agricultural development programmes and national development.

The Third and Fourth Five-Year Plans (1961-66 and 1969-74) focused on female education as a major welfare measure for sustainable growth and development.

The Fifth Five-Year Plan (1974-79) emphasized training of women, who were in need of income and protection. This plan coincided with International Women’s Decade and the submission of Report of the Committee on the Status of Women in India. In 1976, Women’s welfare and Development Bureau was set up under the Ministry of Social Welfare.

The Sixth Five-Year Plan (1980-85) saw a definite shift from welfare to development. It recognized women’s lack of access to resources as a critical factor impending their growth and hence focused on the generation of resources that focuses on women’s growth and hence nation’s development.

The Seventh Five-Year Plan (1985-90) focused on the need for gender equality and empowerment. For the first time, emphasis was placed upon qualitative aspects such as inculcation of confidence, generation of awareness
with regards to rights and training in skills for better employment. For the same, a number of programmes were launched by the Govt. of India.

The Eight Five-Year Plan (1992-97) focused on empowering women, especially at the Gross Roots Level, through Panchayati Raj Institutions.

The Ninth Five-Year Plan (1997-2002) adopted a strategy of Women’s Component Plan, under which not less than 30 percent of funds were earmarked for women related sectors. This was the noticeable step for the upliftment of women strata.

The Tenth Five-Year Plan (2002-07) aims at empowering women through translating the recently adopted national policy for empowerment of women (2001) into action and ensuring survival, protection and development of women and children through rights based approach.

The Eleventh Five-Year Plan (2007-2012) aims at strengthening economic empowerment by aiming to ensure that at least 33 percent of the direct and indirect beneficiaries of all government schemes are women and girl children.

At present, the Government of India has a number of schemes for women operated by different departments and ministries. In order to encourage more and more women enterprises in the medium and small enterprise sector, several schemes have been formulated by this Ministry and some more are in the process of being finalized, targeted only at the development of women enterprises in India.

To cater the needs of potential women entrepreneurs, who may not have adequate educational background and skills, various schemes have been launched by the government of India. Some of the schemes relevant for women entrepreneurs are discussed in the forthcoming section.

1. Trade Related Entrepreneurship Assistance and Development Scheme for Women (TREAD)

Govt. of India launched a scheme entitled “Trade Related Entrepreneurship Assistance and Development” (TREAD) during the 9th plan period. The scheme envisaged economic empowerment of women through trade
related training, information and counseling extension activities related to trades, products, services etc.

With a view to encourage women in setting up their own ventures, government implemented this scheme during the 11th five year Plan. The scheme envisages economic empowerment of women through the development of their entrepreneurial skills in non farm activities. There are three major components of the scheme;

(i) Grant up to 30 percent of³ the total project cost to the non-government organizations (NGOs) is given by Government of India for promoting entrepreneurship among women. The remaining 70 percent of the project cost is financed by the lending agency as loan for undertaking activities as envisaged in the project.

(ii) Government of India grant up to ₹ 1 lakh per programme to training institutions / NGOs for imparting training to the women entrepreneurs, subject to the condition that these institutions/NGOs bring their share to the extent of minimum 25 percent of the grant.

(iii) Government of India grants up to ₹ 5 lakh to the need based national entrepreneurship development institutions and any other institutions of repute for undertaking field surveys, research studies, evaluation studies, designing of training modules etc.

The scheme envisages that Women Associations/NGOs/SHGs should prepare composite bankable proposals for a group of women entrepreneurs, and submit to the office of the DC (MSME) for forwarding to the Banks for their appraisal. Bank examines the proposal and issues approval. 30 percent of the loan amount is sanctioned as grant and made available to the bank by office of DC (MSME) for further disbursement to NGOs.

2. Micro & Small Enterprises Cluster Development Programme (MSE-CDP)

The Ministry of micro, small and medium enterprises (MSME), Govt. of India has adopted a cluster development approach as a key strategy for enhancing the productivity and competitiveness as well as capacity building of
Micro and Small enterprises (MSEs). For the above mentioned purpose, clustering of units is done. A cluster is defined as a group of enterprises, ideally having 100 members, producing same/similar products/services. While 100 members could be the minimum per cluster, depending on the density of population and other factors, even 200-300 could be a good target group for undertaking diagnostic study and the subsequent soft interventions in a cluster. However, in difficult and backward regions, the target numbers could come down to 50 or less but it should not be too small as a lot of Government expenditure is made per cluster. The cluster development programme (CDP) being implemented envisages diagnostic study of identified clusters of traditional skill-based MSEs to identify appropriate technologies and their providers and to facilitate adoption of available technology, meeting the specific needs of the end users. The objective of cluster development aims at enhanced competitiveness, technology improvement, adoption of best manufacturing practices, marketing of products, employment generation etc. The scheme aims to support the sustainability & growth of MSEs by improving technology, skills & quality, market access and access to capital. It aims to build capacity of MSEs for common supportive action through formation of self help groups and up-gradation of associates. Further, the scheme focuses on creation & up-gradation of infrastructural facilities in the new and existing industrial areas. For the scheme two types of interventions are there.

**Type of interventions**

**a. Soft Interventions** – these includes capacity building activities in the cluster where no fixed assets is acquired or formed. Soft interventions include diagnostic study, forming association, trust building & developing identity, capacity building, organizing workshops, seminars, training & exposure visits, market development, launch of Website, common procurement, common/complementary sales and branding.

In the past, depending upon the type of cluster, assistance available for soft interventions has varied in the range of ₹ 25 – 35 lakh per cluster. Currently an internal ceiling of ₹10 lakh for soft intervention is available.
b. **Hard Interventions** – Hard interventions include setting up of common facility centre (CFCs), mini tool room, design centre, testing facilities, training centre, research and development centre, common raw material bank/sales depot, etc.

In case of the hard intervention the contribution from the MSME varies between 30-80 percent of the total project cost, but in the case of clusters owned and managed by women entrepreneurs, contribution of the MSME could be up to 90 percent of the project cost.

Proposals for consideration under MSE-CDP can be sent through state Govt. or their autonomous bodies or field institutes of ministry of MSME- DIs. The proposals are approved by the steering committee of the MSE-CDP.

3. **Credit Guarantee Fund Scheme for Micro and Small Enterprises**

The credit guarantee fund scheme for micro and small enterprises (CGMSE) was launched by the Government of India to make available collateral free credit to the micro and small enterprise sector. The scheme was launched in August 2000 to ensure better flow of credit to micro and small enterprises by minimizing the risk perception of financial institutions and banks in lending without collateral security. Under the scheme, guarantee cover is provided to collateral free credit facility extended by member lending institutions (MLIs) to the new as well as existing micro and small enterprises on loans up to ₹ 50 lakh. The guarantee cover available is up to 75 percent of the loans extended. The extent of guarantee cover is 80 percent for (i) micro enterprises for loans up to ₹ 5 lakh; (ii) MSEs operated and/or owned by women. The lending institutions availing guarantee from the trust have to pay one time guarantee fee of 1.5 percent and service charges of 0.75 percent per annum of the credit facility sanctioned. Both the existing and the new enterprises are eligible to be covered under the scheme. The ministry of Micro, Small and Medium Enterprises and Small Industries Development Bank of India (SIDBI), established a trust named credit guarantee fund trust for Micro and Small Enterprises (CGTMSE) to implement the scheme. The scheme was formally launched on August 30, 2000 and is operational with effect from 1st January 2000. The corpus of CGTMSE is
being contributed by the Government and SIDBI in the ratio of 4:1 respectively and has contributed ₹ 1906.55 crore to the corpus of the Trust up to 31, March 2010. As announced in the Package for MSEs, the corpus is to be raised to ₹ 2500 crore by the end of 11th five year plan.

4. Support for Entrepreneurial and Managerial Development MSME

The ministry organizes a number of Entrepreneurship Skill Development Programme (ESDPs)/ Entrepreneurship Development Programme (EDPs)/ Management Development Programmes (MDPs) to train the potential entrepreneurs in improving their techno/managerial knowledge and skill with a view to facilitating them to start MSEs in various fields. Many of the programmes are designed for the target group for SC, ST, OBC, Women, Minorities and other weaker sections and exclusively for women also. These programmes are also called “Out-reach Programmes” as they are conducted in rural / less developed areas. 22.5 percent of total target of ESDPs/EDPs are conducted exclusively for SC, ST, Women and Physically Challenged persons with a stipend of ₹ 500/- per month per candidate under the Promotional Packages for MSEs. No fee is charged from SC / ST, women and Physically Handicapped.

5. Exhibitions for Women under Promotional Package for Micro & Small Enterprises Approved By CCEA under Marketing Support

DC (MSME) has formulated a scheme for women entrepreneurs to encourage Small & Micro manufacturing units owned by women and register in DI/DIC in their efforts at tapping and developing overseas markets, to increase participation of representatives of small/micro manufacturing enterprises under MSME stall at international trade fairs/exhibitions, to enhance export from such units. Under this scheme, participation of women entrepreneurs in 25 international exhibitions is envisaged during the 11th Plan (2007-2012). With a view to encourage women entrepreneurs to participate in the International Exhibitions under MDA scheme it has been decided to:

i) Provide rent free space (6/9 Sq Mts) in the exhibitions

ii) Reimburse 100 percent economy class air fare for one representative
The overall ceiling is up to ₹ 1.25 lakhs.

The Ministry of Small Scale Industries (SSI) is operating a scheme for technology up-gradation of Small Scale Industries (SSI) called the Credit Linked Capital Subsidy Scheme (CLCSS). The Scheme aims at facilitating technology up-gradation by providing upfront capital subsidy to SSI units, including tiny, khadi, village and coir industrial units, on institutional finance (credit) availed of by them for modernization of their production equipment (plant and machinery) and techniques. The Scheme (pre-revised) provided for 12 percent capital subsidy to SSI units, including tiny units, on institutional finance availed off by them for induction of well established and improved technology in selected sub-sectors/products approved under the Scheme. The eligible amount of subsidy calculated under the pre-revised scheme was based on the actual loan amount not exceeding ₹ 40 lakh.

6. Prime Minister’s Employment Generation Programme and Women

Relaxation is provided to women beneficiaries under Prime Minister’s Employment Generation Programme (PMEGP) launched in 2008-09 includes:

1. For urban women beneficiaries, margin money subsidy is provided at the rate of 25 percent of the project cost while it is 35 percent for women in rural areas.

2. In case of women entrepreneurs, beneficiary’s contribution is 5 percent of the project cost while in the case of others; it is 10 percent of the project cost.

3. Bank finance in the form of loan is 95 percent of the project cost in case of women and other weaker section borrowers and 90 percent of the project cost in case of others.

7. Mahila Coir Yojana

It is the first women oriented self employment scheme launched in the coir industry in November 1994 which provides self employment opportunities to the rural women artisans in regions producing coir fibre. The Scheme envisages distribution of motorized ratts for spinning coir yarn to women artisans after giving training. One artisan per household is eligible to receive
assistance under the scheme. Women spinners are trained for two months for the same so as to make them self trained for the same. Stipend during the training is also given. This scheme is intended to provide self employment to rural women artisans in regions producing coir fibre. Over the last two decades, production of coir fibre has substantially increased in India. Conversion of coir fibre into yarn on motorized ratts in rural households provides scope for large scale employment, improvement in productivity and quality, better working conditions and higher income. The scheme envisages distribution of motorized ratts/ motorized traditional ratts for spinning coir yarn to women artisans. Not more than one artisan per household would be eligible to receive assistance under the scheme. The needs of balanced regional development would be kept in view in selection of beneficiaries. The beneficiaries would be trained in the operation of the ratts under the regular training programs of the Board. Coir Board will provide 75 percent of the cost of the motorized ratt as one time subsidy provided the other 25 percent is raised by the beneficiary through voluntary organizations/ financial institutions/ own sources.

**Institutes Providing Training to Women Entrepreneurs**

The policies of the Government announced from time to time have laid considerable emphasis on promotion of women entrepreneurship particularly among first generation women through various training and support services. Special attention is given by organizing exclusive training programs and Entrepreneurship Development Programs (EDPs) for women by following institutes:

1. **NI-MSME, Hyderabad:**

   The institute was originally set up as Central Industrial Extension Training Institute (CIETI) in New Delhi in 1960 as a Department under the Ministry of Industry and Commerce, Government of India. It was decided to keep it free from the administrative controls and procedures, so that the Institute can play a pivotal role in the promotion of small enterprise. Therefore the Institute was shifted to Hyderabad in 1962, and was renamed as Small Industry Extension Training (SIET) Institute. The NI-MSME (formerly as SIET) was
registered at Hyderabad in Andhra Pradesh and was made effective from 1st July 1962. The Secretary to the Government of India, The Ministry of MSME is the President of the Society and Chairman of the Governing Council. Currently, Mr. R K Mathur, IAS, is the Secretary to the Government of India, Ministry of Micro, Small and Medium Enterprises and Mr. M. Chandrasekhar Reddy, is the Director General of the Institute. During the year 2011-12 (up to December 2011), the Institute has provided training to 746 women under various training programs.

2. NIESBUD, Noida:

NIESBUD is an apex institute in the area of entrepreneurship and small business development under the Ministry of Micro, Small and Medium Enterprises, Government of India. The basic objects for which the institute has been established is promotion and development of micro, small and medium enterprises including enhancement of their competitiveness through various activities. In accordance with the policy directions/guidelines of the Government of India for accelerating the spread of entrepreneurial culture among women, the institute continued with its activities having focus on this target group and encouraged women candidates for participation in its different activities like workshops, entrepreneurship-cum-skill development programs, management development program etc. The institute has conducted a total of 4419 training programmes covering 1,19,211 participants which includes 146 international training programmes with 2,208 participants from more than 120 Countries till 31st July 2012.

3. IIE, Guwahati:

With an aim to undertake training, research and consultancy activities in small and micro enterprises focusing on entrepreneurship development, the Indian Institute of Entrepreneurship (IIE) was established in the year 1993 in Guwahati by the then Ministry of Industry (now the Ministry of Micro, Small and Medium Enterprises), Government of India as an autonomous national institute. The institute began operating from April 1994 with the North East Council (NEC), Governments of Assam, Arunachal Pradesh, Nagaland and
SIDBI as its other stakeholders. The policy direction and guidance to the institute is provided by its board of management whose chairman is the secretary to Government of India, Ministry of Micro, Small and Medium Enterprises (MSME). The governing council of the institute is headed by chairman, NEC and the executive committee is headed by the Secretary, Ministry of MSME, Government of India. The activities of the institute include identification of training needs, designing and organizing programmes both for development functionaries and entrepreneurs; evolving effective training strategies and methodologies for different target groups and locations; organize seminars, workshops and conferences for providing an interaction and exchange of views by various agencies and entrepreneurs; undertaking research on entrepreneurship development, documenting and disseminating information needed for policy formulation and implementation on self-employment and entrepreneurship. The institute acts as a catalyst for entrepreneurship development by creating an environment for entrepreneurship in the support system, developing new entrepreneurship, helping in the growth of existing entrepreneurs and propagation of entrepreneurial education. During the year 2011-12 (up to December, 2011), the institute has provided training to 6,375 women. These included women from rural areas and the training programs covered all kinds of entrepreneurial development programs.

4. Apparel Training and Design Centre:

Apparel Training and design centre, Gurgaon was established in 1991 with the mission to upgrade the technical skills of the human resources employed in the Garment Industry. Apparel Export Promotion Council (AEPC) conceptualized the Apparel Training & Design centers (ATDC) to meet the industry’s growing requirement for a steady supply to trained workforce and professionals with domain expertise especially in apparel manufacturing technology. AEPC having strong linkages with the industry and serving over 90 percent of export value in the apparel sector has promoted and aided the reach of ATDC to almost all apparel manufacturing Hubs across the country. It aims to
generate employment opportunities for weaker sections of society by providing them training in the field of apparel making and allied areas.

MISCELLANEOUS SCHEMES:

**Integrated Rural Development Progress (IRDP)**

The Integrated Rural Development Programme (IRDP) is a program launched by Government in financial year 1978. It is a self-employment program intended to raise the income generation capacity of target groups among the poor. The target group consists largely of small and marginal farmers, agricultural labourers and rural artisans living below the poverty line. The pattern of subsidy is 25 percent for small farmers, 33-1/3 percent for marginal farmers, agricultural labourers and rural artisans and 50 percent for scheduled castes/scheduled tribes families and physically handicapped persons. The ceiling for subsidy is ₹ 6000/- for scheduled castes/scheduled tribes families and the physically handicapped; for others, it is Rs.4000. Within the target group, there is an assured coverage of 50 percent for scheduled castes/scheduled tribes, 40 percent for women and 3 percent for the physically handicapped. Priority in assistance is also given to the families belonging to the assignees of ceiling surplus land, green card holders covered under the family welfare programme and freed bonded labourers. During the 7th five year plan, the total expenditure under the program was ₹ 33.2 million, and ₹ 53.7 million of term credit was mobilized. The program is implemented in all the blocks in the country as a centrally sponsored scheme funded on 50:50 basis by the Centre and State.

**Training of Rural Youth for Self Employment (TRYSEM)**

The scheme had been merged into Swarnajayanti Gram Swarojgar Yojana (SGSY) with IRDP, DWCRA etc. from April, 1999. Therefore it is also called as a sub-plan of Integrated Rural Development Program. It gives training to the youth / young unemployed men & women for Self employment. The scheme aimed at providing basic technical and entrepreneurial skill to the rural poor in the age group of 18-35 years enable them take up income generating activities (self/wage employment). It had been laid down that the coverage of youth from SC/ST communities should be at least 50 percent of rural youth trained. Out of
the total beneficiaries, at least 50 percent should be women. The trainees get a stipend of ₹150 per month during training period. In this program 40 percent of total seats are reserved for women. About 20 lakh women have been trained form its inception till now.

**Development of Women & Children in Rural Areas (DWCRA)**

DWCRA is the Rural Development Department’s scheme to support women’s income generation activities through a group of 15 to 20 women each for taking up economic activities suited to their skill, aptitude and local conditions. The Govt. of India has launched this women & children development programme in 1982-83 in a sub-scheme of IRDP at district level. The main objective of this program is to strengthen the economy of rural women by giving them loan and economic assistance to develop their skills, efficiency and abilities to meet their liabilities effectively. The scheme focuses on the women members of rural families who are below the poverty line to provide them the opportunities of self-employment on a sustained basis.

**NORAD Programme**

NORAD (Norwegian Agency for International Development) was established in 1982–1983 to help the educated & uneducated women financially in non traditional areas of businesses like electronics, computer programming, manufacturing of watches, printing and readymade garments etc. It is a specialized directorate under the ministry of foreign affairs. Near about more than one lakh women have been benefited by NORAD programme till date.

**Support to Training and Employment Program (STEP)**

STEP was started in 1987 with the objective to provide training to rural women for increasing their production capacity and income generation. In this Program, training for skill up-gradation to poor and asset-less women provided in the areas of traditional business like – agriculture, animal husbandry, dairying, fisheries, handlooms and khadi development is provided from time to time.
Assistance to Rural Women in Non – Farm Development (ARWIND)

The National Bank of Agriculture & Rural Development (NABARD) has started a rural women development program called ‘ARWIND’. This is a single window scheme containing credit and promotional components of assistance for women by conducting skill or entrepreneurship development programmes. It provides assistance up to ₹10,000 per women. It is envisaged that women groups organized or sponsored by a suitable agency could avail bank credit normally not exceeding ₹ 50000/ per woman member for setting up of an individual or a group activity. NABARD extends 100 percent refinance assistance to banks in respect of credit extended to women entrepreneurs under the scheme. Agency's stake is 15 percent of the project outlay.

Rashtriya Mahila Kosh (RMK)

RMK was established in 1992 with a fund of ₹ 31 Crore to meet the needs of poor women by giving loans. RMK is also organizing training, apprenticeship and orientation programmes for trainers under the Indian Mahila Block Societies (IMBS). The objectives of RMK are that credit becomes a widely known and used facility for enhancement of the daily income of poor women. The experience of RMK is that the women must be able to double or triple their daily income with the credit support of ₹ 2500 to ₹ 5000. The activities followed may be dairying, petty shop keeping and investment in the agricultural operations.

Indira Mahila Yojna (IMY)

IMY was launched in August, 1995. Its main objective is to give a forward thrust to education, awareness, income generation capacity and empowerment to women. The platform for the forward thrust is to be done through self – help groups at the grassroots level. Indira Mahila Yojana is an integrated development scheme for women. It is presently operative in 200 blocks of the country. It is a centrally sponsored scheme implemented through the State Government, basically aims at converging all the social development programmes to meet women's needs. It has been proved by several experiments in different parts of the country that women group becomes a very strong
medium for accessing information and also for bringing about attitudinal changes on issues of community concerned. The group, then, becomes a very strong mechanism for empowering women with information, knowledge and resources under this scheme. The scheme covers the formation of Indira Mahila Kendras (IMKs) at the anganwadi level and association of other groups under the adult literacy programme, health programme for need-based interaction.

**Self Employed Women’s Association (SEWA)**

The Self-Employed Women’s Association of India (SEWA) is a trade union for poor, self-employed women workers in India. SEWA was founded in 1972 by the noted Gandhian and civil rights leader Dr Ela Bhatt. SEWA had a membership of 966,139 in the year 2008. SEWA members are women who earn a living through their own labour or small business. They do not obtain regular salaried employment with welfare benefits like workers in the organized sector. They are the unprotected labour force of India. Constituting 93 percent of the labour force, these are workers of the unorganized sector. Of the female labour force in India, more than 94 percent are in the unorganized sector. However their work is not counted and hence remains invisible. SEWA is strongly supported by the World Bank which holds it out as a model to be replicated elsewhere. SEWA guides women in rural areas to use their own resources to the maximum. An integration of both physical and financial resources have helped many women from the rural areas of Gujarat and Rajasthan in marketing their hand embroidered Tie & Dye materials both in India and abroad. A commendable job of SEWA is where the rural women entrepreneurs are sent to countries like Australia, Europe and United States for promoting their products.

**Self Help Groups (SHG’s)**

A self-help group (SHG) is a village-based financial intermediary usually composed of 10–20 local women. Members make small regular savings contributions over a few months until there is enough capital in the group to begin lending. Funds may then be lent back to the members or to others in the village for any purpose. SHG’s plays a vital role in rural development in general and for rural women in particular. The women leads Self Help Groups comprise
15–20 members & each has a group leader. Each member of the group contributes money & kept in bank in the name of the group. Group can obtain loan from the bank. The rules & regulation are developed by the members of group. The SHGs are linked with the banks for the external credit inflow. Self Help Group associate with micro credit is the element for the development of country.

**Annapurna**- Scheme for financing Women for establishing Food Catering Units this scheme is open for Women (both individual and Partnership firms) for establishing food catering unit for selling tiffin/food/lunch packs etc. Maximum loan of ₹ 50000/- can be granted for the same. Term loan component can be used for purchase of utensils and cutlery, gas connection, refrigerator, mixer cum grinder, hot case, utensil stand, tiffin boxes, working table, water filter etc. Repayment is to be made up to 36 monthly instalments including one month moratorium period.

**Schemes implemented by SIDBI**

The Small Industries Development Bank of India (SIDBI) has been implementing two special schemes for women namely Mahila Udyam Nidhi which is an exclusive scheme for providing equity to women entrepreneurs and the Mahila Vikas Nidhi which offers developmental assistance for pursuit of income generating activities to women. The SIDBI has also taken initiative to set up an informal channel for credit needs on soft terms giving special emphasis to women. Over and above this, SIDBI also provides training for credit utilization as also credit delivery skills for the executives of voluntary organizations working for women.

**List of various schemes enacted by government and its allied bodies.**

**Schemes by Ministry of Rural Development**

- Swarnjayanti Gram Swarozgar Yojana (SGSY)
- Sampoorna Grameen Rozgar Yojana (SGRY)
- Assistance for Rural Employment Guarantee Schemes
- National Social Assistance Programme (NSAP)
- National Rural Employment Guarantee Act (NREGA)
• National Food for Work Programme (NFWP)
• National Common Minimum Programme (NCMP)

Schemes by Ministry of Micro, Small and Medium Enterprises
• Credit Support Programme
• Rajiv Gandhi Udyami Mitra Yojana
• Prime Minister’s Employment Generation Programme
• Workshed Scheme for Khadi Artisans

Besides above mentioned schemes there are other schemes also e.g. Swawlamban, National Entrepreneurship Development Board Scheme (NEDB), Jawahar Rozgar Yojna etc. Though the number of schemes is not less but they should be increased and women should be made aware of them so that they can take benefit from the schemes. It is the need of hour to implement these schemes in a right direction so that the contribution to the economic development by the women folk may be increased and they could be economically empowered.