CHAPTER II
REVIEW OF LITERATURE

2.1 Introduction

Large number of people across the globe is realizing their dreams of owning and operating their own businesses. As a result of this people started showing their interest in pursuing entrepreneurship as a career. Development in any walk of life has always depended to some extent on individual qualities of entrepreneurs. Entrepreneurship is going to be one of the trends in the current century. There would be shifts from industrial society to information society, national economy to global economy, centralization to decentralization, institutional help to self help, and hierarchies to networking. These shifts will continue to influence individual decisions regarding career and choice of business. The on-going economic reforms based on liberalization, privatization and globalization of Indian economy and the changes at the international economic scene, have brought about certain challenges and several opportunities to the entrepreneurs. Entrepreneurship is the creative and innovative response to the environment. Entrepreneurship is the sum total of sound management, scientific skills and ability to dream, imagine and visualize uncommon patterns between different factors. 21st century is the century of entrepreneurship and every individual can be an agent for innovation.

The emergence, growth and development of entrepreneurship depend on a number of micro and macro level factors. At the micro level entrepreneurship depends on education, knowledge and skills of potential entrepreneurs and at macro level it depends on the creation of an entrepreneurial class, creation of an environment that fosters private initiatives, business innovations and free enterprise.
Promotion of entrepreneurship in a society can be done in three phases. (Dave, 2007). These phases are stimulatory phase, support phase and sustaining phase. In the stimulatory phase infrastructure, database and publicity for the promotion of entrepreneurship can be provided. It also includes motivating potential entrepreneurs by creating awareness about entrepreneurship and developing interest in them. In the second phase entrepreneurs should be provided with practical guidance and support for establishing the business. In the last phase entrepreneurs should be helped in overcoming the problems they encounter in their business.

Entrepreneurship development is recognized widely as a key to economic development and human welfare of any country.

Literature on entrepreneurship can be reviewed on the basis of following criteria.

1) Theoretical paradigm related to entrepreneurship
2) Motivation and entrepreneurship
3) Innovation and entrepreneurship
4) Women entrepreneurship
5) Performance and success of the entrepreneurs
6) Impact of Globalisation on Ayurvedic medicines

2.2 Theoretical Paradigm Related to Entrepreneurship

The word entrepreneur is derived from French words meaning ‘between’ and ‘to take.’
Thus an entrepreneur is one who takes a position between a supplier and a customer. He is a person who always takes risks in the business.
Entrepreneurship is a human, creative act that builds something of value from practically nothing. It is the pursuit of opportunity regardless of the resources, or lack of resources at hands. It requires a vision and the passion and commitment to lead others in the pursuit of that vision. It also requires a willingness to take calculated risks.

French writer, Bernard F. de Belidor defined entrepreneurship as buying labour and materials at uncertain prices and selling the output at contracted prices.

Entrepreneurship is a process of exploring the opportunity for starting the enterprise. It is planning, establishing, making it operational, expanding and developing the business and accomplishing the objectives and goals and evaluating the performance to take decisions of further growth and development.

A dynamic theory of entrepreneurship was first advocated by Schumpeter who considered entrepreneurship as the catalyst that disrupts the stationary circular flow of the economy and thereby initiates and sustains the process of development (Schumpeter, 1949). He has done a pioneering work on entrepreneurship. According to him entrepreneurship is essentially a creative activity. It consists in doing such things as are generally not done in the ordinary course of business. Schumpeter calls it innovation. Innovation involves problem solving and entrepreneur is a problem solver. Innovation may occur in the form of introduction of a new product, new method of production, new market for existing products or new source of supply of raw materials.

Schumpeter stressed the role of the entrepreneurial function in economic development. Development requires basic changes which are carried out by entrepreneurs. Schumpeter’s concept of entrepreneurship is wider and narrower at the same time. It is wider in the sense that it includes not only the independent businessman but also company directors and managers who actually carry out innovative functions. It is narrower in the sense that individuals, who merely
operate an established business without performing innovative functions, are excluded.

Schumpeter’s views are particularly relevant to developing countries where innovations need to be encouraged. Schumpeter’s theory gives too much importance to innovations and ignores the risk taking and organizing aspects of entrepreneurship which are equally important.

Harvard school explains entrepreneurship as a purposeful activity that initiates maintains or develops a profit oriented business in interaction with the economic, social and political circumstances surrounding the business. (Cole, 1949). This approach includes two types of activities, the organization and the sensitivity to the environmental characteristics that affect decision making.

In Harbinson’s views entrepreneurship is the skill to build an organization. (Harbinson, 1956). Organisation building is an important skill required for industrial development. This is the skill of making progress by delegating responsibility to others. Entrepreneurs need not be necessarily be the men with ideas but they may simply be good leaders and excellent administrators. Harbinson’s views about entrepreneurship lay more emphasis on managerial skills and creativity. Innovation can stimulate economic development only if organization building skill is present.

McClelland’s explanation of entrepreneurship is based on the identification of two characteristics of entrepreneurship namely doing things in a new and better way and decision making under uncertainty. (McCllend, 1961). According to him achievement orientation can directly explain economic behaviour. This achievement motive is defined as the tendency to strive for success. People having high need for achievement are more likely to succeed as entrepreneurs. People with high achievement are not influenced by money rewards as compared to people with low achievement. People with low achievement are ready to work
harder for money whereas people with high achievement consider profit as a measure of success and competency.

The concept of entrepreneurship and its theory have been evolved over a period of more than two centuries. There are different opinions on the emergence of entrepreneurship. These opinions are classified into three categories.

1) Economist’s views
2) Sociologist’s views
3) Psychologist’s views

According to Economists, entrepreneurship and economic growth will take place in those situations where particular economic conditions are most favourable. G.F. Papanek and J.R. Harris are the main advocates of this theory. Entrepreneurial activities are mainly guided by economic motive. (Papanek, 1962) In some cases it is not so evident, but the person’s inner drives have always been associated with economic gains. Therefore these incentives and gains are regarded as the sufficient condition for the emergence of industrial entrepreneurship. Various kinds of market imperfections and inefficient economic policies may not encourage vigorous entrepreneurship.

Sociologists argue that entrepreneurship is most likely to emerge under a specific social culture. According to them social sanctions and cultural values are responsible for the emergence of entrepreneurship.

According to advocates of Psychological theory entrepreneurship is most likely to emerge when a society has sufficient supply of individuals possessing particular psychological characteristics.

Mc Cleland opines that it is the high need for achievement which drives people towards entrepreneurial activities. This achievement motive is inculcated through child rearing practices which stress standards of excellence, maternal warmth,
self-reliance training and low father dominance. Individuals with high achievement motive tend to take keen interest in situations of high risks and high responsibility. They usually want a concrete measure of task performance.

Entrepreneurship is influenced by multiple factors and therefore no single factor by itself can generate entrepreneurship. Thus entrepreneurship is the outcome of a complex and varying combinations of socio-economic and psychological factors.

One important exposition of Harvard tradition about entrepreneurship is that of Leibenstein who emphasized certain activities of entrepreneur like searching and evaluating economic opportunities, mobilizing resources necessary for the production process, connecting different markets and creating and expanding the firm. (Leibenstein, 1968) Leibenstein identified two broad types of entrepreneurship namely routine entrepreneurship and new entrepreneurship. The routine entrepreneurship is associated with the managerial function of the business whereas the new entrepreneurship is innovative in nature. The most important function of entrepreneurship is gap filling. It is the job of entrepreneur to fill the gap existing in the knowledge about the production function. The reason behind this gap is the inability to market all the inputs in the production function. According to Leibenstein the supply of entrepreneurship is governed by inputs completing capacity and inadequate motivational state.

In his theory of entrepreneurial supply, Kunkel explained the dependence of entrepreneurship on social, cultural, economic and technological factors (Kunkel 1970). According to him society limits specific activities which affect all members of the society. Behaviour of the people can be made entrepreneurial by manipulating certain selected components of the demand structure. Entrepreneurial activity also depends on the availability of capital, competent and willing labour and management and technological skills.
2.3 Innovation and Entrepreneurship

Innovation is the specific tool of entrepreneurs, the means by which they exploit change as an opportunity for a different business or a different service. It is capable of being presented as a discipline. It is also capable of being practiced. Innovation is an economic or social rather than a technical term. Systematic innovation therefore consists in the purposeful and organized search for changes, and in the systematic analysis of the opportunities such changes might offer for economic or social innovation. Entrepreneurs have to explore the sources of innovation that can bring changes in various forms. Systematic innovation requires monitoring seven sources for innovative opportunity (Drucker, 1985, pp 31-32). The first four sources are endogenous since they lie within the enterprise. These sources are:

1. The unexpected—the unexpected success, the unexpected failure, the unexpected outside event;
2. The incongruity—between reality as it actually is and reality as it ‘ought to be’
3. Innovation based on process need;
4. Changes in industry structure or market structure that catch everyone unawares.

The second set of sources involves the changes outside the enterprise or industry:

5. Demographics
6. Changes in perception, mood, and meaning;
7. New knowledge, both scientific and non-scientific.

David H. Holt explored innovation and creative endeavor that leads to entrepreneurship. The terms creativity and innovation are often used to mean the same thing, but they are different. Creativity is “the ability to bring something new into existence.” This definition shows only ability and not the activity of
doing something new. ‘Innovation is the process of doing new things.’ (Holt, 1992, p32) Innovation is the conversion of creative ideas into useful application. Creativity inspires entrepreneurship, but innovation is the actual process of entrepreneurship. Innovation is different from invention. Invention is the verified result of a creative idea; innovation is the conversion of something new into useful goods or services.

It is important to know the role of different institutions in society in affecting the process of innovation within the firm (Sullivan, Munir, Dougherty, 1998). The development of new markets and defence of existing ones depend on firm’s product innovation capabilities. Product innovation may involve shifting to new technologies, moving away from familiar customer, changing a strategic paradigm, breaking out of prevailing patterns of decision making, adjusting the product architecture, and learning from experience.

Wasif M. Khan worked with industries in Pakistan over a period of ten years and put forward the view that SMEs are prominent innovators. Technological innovation is an important factor in several newly industrialised countries (Khan, 1998). Technological innovation is a process by which a firm plans, implements, controls, and evaluates technical changes to create new opportunities for increasing the competitiveness of the firm. These innovations in SMEs in Pakistan are often focused on industrial markets rather than consumer markets.

People use innovation as the basis for new business. Success stories of the entrepreneurs support the view that entrepreneurship and innovation go hand-in-hand. ‘Though innovation is an essential ingredient of entrepreneurship it is neither sufficient nor necessary for entrepreneurial success’ (Lambing, Kuehl, 2000, p90). But innovation is the only sustainable source of growth so the firms should undertake innovations by following four principles (Tucker, 2002).

1) Company’s approach to innovation must be comprehensive. It cannot be confined to one or two departments, but it must encompass the entire company. It
must be reflected in new products, new services, new processes, new strategies, new business models, and the pursuit of new markets.

2) Innovation must include an organized, systematic, and continual search for new opportunities.

3) Organization must involve everyone in the process of innovation.

4) A company must work constantly on improving its climate for motivation.

Innovations are necessary for the survival of the company in this globalised competitive world. ‘Innovativeness, creativity and imagination are considered as basic ingredients of entrepreneurial personality’ (Kaulgud, 2003, p65). Innovation is the commercial application of invention. Innovation and innovativeness can surpass and surprise the competitor. Share and profitability of innovative entrepreneur increases till the competitors imitate it by bringing out similar products in the market so he has to reintroduce innovation to retain his market share.

Innovation is a corporate entrepreneurial outcome in recently established small firms (Maes, Sels, Winne, 2006). Entrepreneur/entrepreneurial team and Employee human resources and their management play a crucial role in determining the innovation performance of startups. The results obtained from the study examining this relationship, indicate that both types of human capital do matter in the context of start up innovation. This study could not trace direct effects of entrepreneur/entrepreneurial team human capital on innovation and indirect effects of education level and business advice. The study teaches us that valuing human capital in start-ups can contribute to a great extent to preserving their innovation performance. This study contributes to innovation and corporate entrepreneurship research in several respects.
2.4 Motivation and Entrepreneurship

Motivation occupies an important place in the world of entrepreneurship management. The following views highlight the role of motivation in the development of entrepreneurship.

The study conducted to understand the problem of entrepreneurship in Philippines by bringing into focus one possible psychological aspect of Filipino entrepreneurship namely n-achievement, has provided an empirical test of McClelland’s theory (Aldaba, Javillonar, 1968). The present study tried to find relationship between n-achievement and entrepreneurial performance among successful Filipino businessmen. The effect of n-achievement on socio-economic and occupational mobility of entrepreneurs was also examined in this study.

A sample of sixty six businessmen selected by the study reveals that n-achievement is not the chief motivation underlying entrepreneurial performance at least when one reaches a certain level of entrepreneurial success. Analysis of data suggests the possible role of a psychological need for dominance and need for affiliation in Filipino entrepreneurship. The present study highlighted the role of n-achievement in vertical social mobility. Once an achievement oriented low-class entrepreneur has made his way up to the higher social class, his n-achievement helps him perform better as an entrepreneur than his counterpart who came originally from the upper class. This study also shows that those who started their occupational careers in business have significantly higher n-achievement than those who started in relatively non-entrepreneurial occupations such as professions.

The study based on 20-item questionnaire about entrepreneurial motives compared the strength of motives at two different points, namely at the time of
collecting the data and at the time of starting the enterprises. This analysis studied
the impact of entrepreneurial activity on entrepreneurial motives. ‘There are
several motives which were found to be high for entrepreneurs, such as enjoyment
of one’s work, desire for independence, development and utilization of one’s
capability, personal decision making, engaging in variety of tasks, recognition and
target achievement’ (Manimala, Pearson, 1998, p148) The need for feedback and a
feeling of obligation were in the ‘low-score’ category. The truly entrepreneurial
individuals are rarely motivated because of external support. Similarly they are
not likely to be motivated by a sense of obligation to someone.

It is observed that academics are less motivated to start and run an enterprise.
Actually analytical expertise of academics is very much needed in small and
medium scale enterprises. The paper presented by Katija Maki on “Motivation for
entrepreneurship among academics” concentrates on the academics’ motivation
for entrepreneurship and abilities to work in SMEs. The study was conducted as a
survey and the sample consists of MBA students and graduates as well as
recruitment personnel or other representatives of enterprises (Maki, 1999).

Four variables—self confidence, willingness to renew things, practical
entrepreneurial skills and persistence were used to measure the attitudes of MBA
students and graduates towards their entrepreneurship. Self confidence,
williness to renew things and persistence are found to be positively correlated
with willingness to start an own enterprise. But the practical entrepreneurial skill
is not found to be correlated with the intention to start a new enterprise.
The main obstacles for entrepreneurship according to the study were lack of
business ideas and finance. These two factors are negatively correlated with
entrepreneurial intention.

The present study reveals that MBA students and graduates are interested in
entrepreneurship and have capacity for entrepreneurship. But they lack
entrepreneurial skills as is evident from the fact that very few MBA students and
graduates start their own enterprises. The most obvious reason for this is the lack of practical training related to entrepreneurship in university education. Therefore this study suggested co-operation between universities and enterprises focused on student’s abilities to create and develop ideas and systematic efforts to increase expertise and self-confidence. The students can be motivated to undertake entrepreneurship.

The factors needed to motivate someone to become an entrepreneur can be classified into two types: Internal and external (Khanka, 1999).

1) Internal factors: These include the following factors:
(a) Desire to do something new
(b) Educational background
(c) Occupational background or experience

2) External factors: These include:
(a) Government assistance and support
(b) Availability of labour and raw material
(c) Encouragement from big business houses
(d) Promising demand for the product.

The need for achievement plays an important role in the success of an entrepreneur. The achievement motivation can be developed through training and experience.

Motivation behind women entrepreneurship is influenced by two factors—dissatisfaction with corporate life and the desire for a challenge. ‘Dissatisfaction with corporate life occurs for many reasons including layoffs, the glass ceiling, and conflict between family and work responsibility’ (Lambing, Kuehl, 2000.p 25).

Women are less motivated by monetary factors and prefer flexibility in work hours, so they may keep the size of their business small by choice. But still
women-owned businesses in U.S. are expected to grow by 40 to 50 percent of all businesses in 21st century. Motives guiding men and women are different. Women are interested in having control over their own business, building relationship with their clients, and doing something fulfilling. Men, on the other hand are interested in achieving goals.

Different models were formulated to explain why businesses are formed. These models tried to explain the entrepreneurial phenomenon and the reasons behind the business formation. The researchers tried to develop a universal theory of business formation. But the doubts were raised regarding the validity of this theory due to the fact that entrepreneurs differ in the characteristics they possess, the organizations they create, the environment surrounding their venture and the process by which the new venture is started.

The relationship between culture and entrepreneurship has received lot of research attention. It has been observed that entrepreneurship activity varies from society to society due to cultural beliefs about entrepreneurship (Abbey, Augustus, 2002). Cultural backgrounds of the entrepreneurs play a significant role in defining the motivation for entrepreneurship. Motivation for business formation is not universal and that differences in cultural frames of reference would account for differences in the motivation for business formation. To explore this fact the entrepreneurs from two culturally diverse environments (individualist/collectivist) were administered questionnaires designed to determine the differences in cultural frames of reference and the motivation for entrepreneurship. The results of the study shows that the American entrepreneurs displayed a stronger belief in individualism than the Ghanaian entrepreneurs whereas the Ghanaian entrepreneurs displayed a more group focused behaviour. The differences between two groups of entrepreneurs on motivations such as the desire for independence, need for economic security, social standing and opportunity were found to be statistically significant. The other motivational factors like the desire for recognition, innovativeness and challenges yielded no significant differences.
Recent research on entrepreneurship has focused largely on macro level environmental forces and the characteristics of entrepreneurial opportunities. It ignores the role of human agency.

It is believed that the development of entrepreneurship theory requires the consideration of the people making entrepreneurial decisions. The role of human motivation is not given consideration in entrepreneurial process in recent entrepreneurship research. In addition to the motivations suggested by prior researchers some other motivations which are not commonly discussed need attention (Shane, Locke, Collins, 2003). Shane Scott and others pointed out major weaknesses of earlier research and suggested solutions for future research to overcome these problems. They identified several human motivations influencing entrepreneurial process. They assumed that all human action is the result of both motivational and cognitive factors. But entrepreneurship is not solely the result of human action. The external factors like the status of the economy, the availability of venture capital, the actions of competitors and government regulations also play an important role in entrepreneurial process. Assuming that environmental factors remain unchanged, human motivation plays a critical role in entrepreneurial process. Four suggestions were made by Shane Scott and others to the researchers interested in examining the effect of motivations on entrepreneurial decisions.

First suggestion is that researchers could explore settings in which potential entrepreneurs pursue reasonably identical opportunities.
Second suggestion is that scholars could employ experimental designs in which potential entrepreneurs are asked to make a series of entrepreneurial decisions in controlled situations.

Third suggestion is that the sample of entrepreneurs within the same industry and country should be used and the aspects of the environment that might vary within industry and region should be measured.
Fourth suggestion is that the scholars could employ third parties to code the value of potential opportunities.

Motivation plays an important role in directing the activities of entrepreneurs towards the attainment of different goals. ‘The concept of motive refers to the purpose underlying all goal-directed actions’ (Kaulgud, 2003, p. 43). Motivation is a process, and the main aspects of this process are needs or expectations, behaviour or action, and goals and feedback. Achievement motivation in individual has a positive and direct impact on the community. Achievement motivation is represented by:

* An urge to excel
* Desire to achieve success in competition with self
* Desire to achieve success in competition with others
* Long term goals and long term involvement
* Unique accomplishment
* Perfection and excellence

Recently affiliation motive is given importance in developing entrepreneurial motivation. Affiliation motive manifests itself in team spirit, harmonious interpersonal relations, resolution of conflicts, and clashes. Similar views are also expressed by the research conducted to study the motivations, attitude and behaviour of entrepreneurs (Bhat, Macline, 2005). These entrepreneurs were motivated primarily by the desire to create something new, the desire for autonomy, wealth and financial independence, the achievement of personal objectives and the propensity for action. The excitement of entrepreneurship was another major motivator. According to most entrepreneurs their objective was never money. They felt that their success was tied to creating something new and durable. Hard work and focus also played an important role in their success. Majority of the entrepreneurs stated the following problems faced by them.

1) Lack of government’s relative involvement or support
2) Financial struggle  
3) Lack of forum for discussing entrepreneurial issues  
4) Poor infrastructure  
5) Corruption and bureaucracy

According to many respondent entrepreneurs professional bodies can encourage entrepreneurship by educating the government on the above stated issues faced by entrepreneurs. As far as the generation of the new entrepreneurs is concerned they felt that schools can play active role in encouraging entrepreneurship as a future career option for the students.

Entrepreneurs are usually self motivated and determined to succeed. Motivation is a set of processes that determine individual choices (Aleksy, 2006). These processes are influences from families and friends that we receive throughout our life. The people who plan to be entrepreneurs develop a physiological or psychological need. The person then develops a set of behaviours to satisfy this need. This behaviour results in action towards goal. Maslow’s principles can be followed to transform managers into leaders. Leaders have to face challenges in the business. They have to build team successfully because a great leader can achieve much more than any individual. But they should constantly adopt self improvement philosophy.

Migrant entrepreneurs are usually guided by very strong motive to grow their businesses. The study about different aspects of migrant entrepreneurs is gaining importance these days. They play an important role in the growth and development of entrepreneurship in the country.

The literature on migrant entrepreneurship shows that the migrant females comprise one of the fastest growing groups of business owners and that they are more entrepreneurial than their migrant male and native female counterparts. The findings of several studies show that migrant women entrepreneurs represent a
potential source of continued new business growth that brings broad range of international skills to the workforce. Entrepreneurship among migrant females can be studied on the basis of driving forces, motivation and the performance of migrant women entrepreneurs (Levent, Nijkamp, 2006). Levent and others tried to review the factors that push migrant females towards entrepreneurship and that determine their entrepreneurial performance. A study of the sample of Turkish female entrepreneurs examined the following six factors:

1) Arrival year in Netherlands
2) Education and working experience
3) Foundation year of the enterprise
4) Size of the enterprise
5) Gender and nationality of the clients
6) Family support

The results of the study show that factors like longer stay in Netherlands and longer lasting entrepreneurial activity contribute positively to the performance of relatively older entrepreneurs while an entrepreneurial family tradition, family capital and ethnic clients contribute positively to the performance of relatively younger entrepreneurs.

It is believed that necessity is the primary motive for business start-up in poor countries and opportunistic diversification is possible only in rich, developed countries. But this view is not supported by the empirical evidence furnished by Peter Rosa, Sarah S. Kodithuwakku and Waswa Balunywa. They tried to measure the state of necessity and entrepreneurial activity through qualitative case studies from Uganda and Sri Lanka. The results of their study show little support for the “Necessity” hypothesis, i.e. that necessity motivates people strongly to start new business (Rosa, Kodithuwakku, Balunywa, 2006). The present study revealed that the other motives for business start-up are more important than necessity. The results of the survey conducted for this study show that entrepreneurial
activity rate falls as income declines, and entrepreneurial diversification increases with success.

The study conducted by C. Wang, E.A. Walker and J. Redmond about the ownership motivation aims at comparing the propensity of operators motivated by financial versus personal/ non-financial goals to engage in strategic planning for their businesses. The results of the study reveal that the strategic planning in small business is related to the ownership motivation of the operators. Four groups of small business operators were identified in the present study. They were driven by personal development factor, financial factor, push factor and flexible lifestyle factor. The operators motivated by financial goals were more likely to engage in strategic planning for improving the performance of their businesses. Financially motivated operators were more likely to have a business plan. Small business operators motivated by personal development goals showed considerable propensity to strategic planning. Small business operators in the push and flexible lifestyle groups were more likely not to engage in strategic planning. The study concludes that the motivations for small business ownership are diverse and significantly influence how operators manage their businesses (Wang, Aggarwal, Holly, Salkever, 2009)

Even though family background plays an important role in entrepreneurial motivation the survey conducted by VivekWadhwa, Raj Aggarwal, Krisztina Holly and Alex Salkevergives the results contradictory to some prevailing stereotypes. In the industries surveyed by them, entrepreneurs were found to come from a middle class or upper-lower class background and very few were found to come from extremely rich or extremely poor family background. More than half of the entrepreneurs in the selected sample were the first in their families to launch the business. This survey shows that entrepreneurs do not always come from families of entrepreneurs (Wadhwa, Aggawal, Holly, Salkever, 2009).
The strongest motivations for respondent entrepreneurs in starting their own businesses were building wealth, owning the companies and capitalizing on business ideas.

### 2.5 Women Entrepreneurship

Activities of women were confined to the four walls of the houses for many centuries. Those days society was predominantly a male dominated society. It is with these reasons that women workforce in industry was negligible and their contribution towards economy was almost zero. After independence there was recognition of women power. Women started realizing their own strengths and demanded their participation in different fields. They preferred to enter into selected professions like education, nursing, medicine and office work. But the concept of women entrepreneurship was not emerged. Attitude of the society towards women and the constraints in which they have to live and work keep women away from entrepreneurship. Earlier women were engaged in the industries set by males.

In industrial policy of the government the emphasis was placed on women’s initiative in starting small scale industries. The first National Conference of women entrepreneurs organized in New Delhi in 1981 emphasised the allocation of land, sheds and sanctioning of power and license to run the industry for this sector. In the industrial policy, 1991, the government of India emphasised the need for conducting special entrepreneurship development programmes for women. Growth of women’s movement influenced the behaviour of women in the business environment. They are becoming more career oriented. New economic policies, spread of education and availability of various job opportunities in the private sector have changed the attitude of women. In 21st century, along with globalization the women are emerging in significant number as entrepreneurs.
They are exploring new avenues of participation which is reflected in their choice of business. Women entrepreneurs do not take profitability and complexities involved in business into consideration. Women entrepreneurs want to take up only those lines of business in which they possess adequate knowledge and skill and require less investment.

Rani conducted a short pilot study to identify potential women entrepreneurs among polytechnic students and their awareness about entrepreneurship. The study revealed that 86.5% of the students were enthusiastic about setting up an enterprise. But most of them were not aware about the special incentives offered by the government to women entrepreneurs. Majority of them were not able to clearly identify the project they would like to set up. The study also showed that the courses like dress making and costume designing, catering and food technology which are known to give greater chances of setting independent units, were already introduced by polytechnic college (Rani, 1986).

The disparity between the number of men and women who become self-employed has been investigated by earlier research. A literature review reveals the gender effects of start up and entrepreneurial success. Alsos Agnete and Lunggren Elisabet in their longitudinal study of 149 nascent entrepreneurs from Norway found many similarities between male and female entrepreneurs. But there were some dissimilarities as well. They observed that females write fewer business plans and present them much later in the process. Females require external capital earlier in the start up process and they hire fewer employees for their business compared to their male counterparts (Agnete, Alsos, Ljunggren, 1998).

Peggy Lambing and Charles R. Kuehl the features of women-owned businesses in U.S.A. According to U.S. census bureau women-owned businesses grew by more than 50% between 1980 and 1990. It was observed that these businesses are smaller than those owned by men. This may be due to differences in motivation,
the age of the business and the type of industries chosen by women entrepreneurs. Analysis made in 1980 showed that these businesses grew slowly, earned less profit, hired fewer employees and raised less capital. Even though majority of these businesses are concentrated in the retail and service sectors still there are many in non-traditional industries. They have entered the male-dominated fields also (Lambing, Kuehl, 2000). The study of home-based women entrepreneurs in Mumbai was undertaken with the objective of identifying entrepreneurial effectiveness among them (Pandit, 2000). The findings of the study reveals that these enterprises are not regulated and are based on goodwill, therefore do not build brand equity. These enterprises carry out managerial functions without knowing that they are doing so. Entrepreneurial effectiveness was tested with three key variables namely sense of desire to prove entrepreneurship, success of achievement and sense of satisfaction. But according to her this may not be the only way to identify entrepreneurial effectiveness.

Deepak Walokar tried to examine the socio-economic background and different aspects of entrepreneurial activities taken up by women. The study examined the positive and negative consequences of entrepreneurial activities on women entrepreneurs and their families. The data collected from 192 women entrepreneurs from Nagpur showed that majority of the entrepreneurs who have professional/vocational qualification are engaged in entrepreneurial activities which are related to the training they have undergone. Most of them got support from their family. Providing financial support to the family, using one's own potential and having independent income are perceived to be the most important achievements by majority of the women entrepreneurs. Some highly ambitious women entrepreneurs succeeded in growing their business rapidly by adopting somewhat different strategies (Walokar, 2001).

Lisa Gundry and Harold Welsch examined the strategic growth intentions, commitment level, opportunity costs, structure and success factors that distinguish the business of highly successful women entrepreneurs from those of less
successful entrepreneurs. They pointed out three differences between these two groups. High growth oriented entrepreneurs are:

1) More likely to select strategies for their firms that permit greater focus on market expansion and new technologies.

2) More determined to own their businesses and

3) More open to greater opportunity costs for the success of their firms.

High growth entrepreneurs are usually ambitious and adopt more structured approach to organize their business (Gundry, Welsch, 2001)

Gender differences are disappearing slowly in different fields and entrepreneurship is not the exception for this. Women entrepreneurship of 21st century has forced us to redefine womanhood. Sex is no bar for entrepreneurship. Therefore women entrepreneurs should not be considered as separate category. But a male dominated orthodox society could not accept the economic independence of women through entrepreneurship. The recent scenario is somewhat different which shows the entry of women in the field of industry and business as an owner of the enterprise (Kaulgud, 2003, pp15-20) Limited job opportunities, need to earn supplementary income due to high cost of living, self esteem, constant motivation by government in the form of various incentives, are some of the factors responsible for entry of women in the field of entrepreneurship. Today women have entered all fields of business and do not stick to conventional products alone. But they have to face lot of problems like lack of confidence, lack of training related to advertising and marketing, lack of quick decision-making and problem solving approach, the preference for low technology project, the problem of completing legal and procedural formalities before and after launching an enterprise.

Different factors affect men and women entrepreneurs differently. Global Entrepreneurship Monitor data can be used to investigate the differential impact of several factors on male and female entrepreneurship (Verheul, Stel, Van, Roy, 2005). It is observed that by and large female and male entrepreneurial activity
rates are influenced by the same factors and in the same direction. However for some factors (e. g. unemployment, life satisfaction) a differential impact on female and male entrepreneurship is found.

Female and male entrepreneurs differ in the way they perceive and assess entrepreneurial success. Rachida Justo, Julio O. De Castro, Alicia Coduras and Cristina Cruz examined gender wise differences in entrepreneur’s perception of success. They pointed out similarities between men and women entrepreneurs and also revealed gender based differences related to family status. Family factors and especially parental status play a key role in shaping different perceptions of entrepreneurial success amongst different types of women entrepreneurs. Women entrepreneurs with dependent children lay more emphasis on independence as a measure of success than other types of entrepreneurs (Justo, Julio, De Castro, Coduras,Cruz, 2006).

Women entrepreneurs like every earning woman face work family conflict. Lois M. Shelton investigated whether female entrepreneurs involved in high performing ventures are better able to cope with work- family conflict than those in less successful ventures. This analysis is based on role involvement and role conflict and utilizes three strategies for manipulating roles: role elimination, role reduction and role sharing (Shelton, 2006). Three propositions are advanced by this study:

1) Firm growth is significantly affected by work family management strategies.
2) Female entrepreneurs who are successful in their businesses are better able to choose efficient strategies that reduce work family conflict.
3) Women prefer role sharing strategies that allow them to enjoy both their work and their family while reducing conflicts.

Balancing work and family results in the use of team building and participative management practices for many female entrepreneurs.
In this era of globalization many new opportunities are knocking the doors of women entrepreneurs. AvaneendraMisra studied the impact of globalization on the women at work and entrepreneurship in India. Globalization induced by new economic policy of 1991 was based on the IMF- World bank’s structural adjustment programmer (SAP). The post globalization period witnessed the significant growth of women entrepreneurship (Misra, 2007). Women entrepreneurship in India is considered as necessity entrepreneurship rather than opportunity entrepreneurship. Many women entrepreneurs in India are using their skills for starting the business of handicrafts, handlooms and food products. Anil Kumar in his study “women Entrepreneurship in India” examined the growth and features of women entrepreneurs from states of Northern India. He analysed various aspects of women entrepreneurs, such as the socio-economic factors affecting their entrepreneurship, financial structure of their business and problems faced by them. The study shows that educational level, type of family, nativity of the women entrepreneurs, motivation, help from family members, income and wealth of family, assistance from financial institutions, and availability of training facility are the important factors influencing the development of women entrepreneurship in India. The obstacles found in their path are lack of getting information related to their products, inability to estimate the demand for their products accurately, competition from big producers, problem of fixed and working capital, negative attitude of workers due to gender bias and the problem of complicated legal formalities to be completed (Kumar, 2007).

Dr. VidyaHattangadi in her book “Role of entrepreneurs in economic development” described the distinguishing features of women entrepreneurs in India. According to her today’s women entrepreneurs are exploring new avenues of economic activities by breaking the old traditions. Women entrepreneurs of this century have to preserve the cultural values while developing their careers. She expressed the view that entrepreneurial attitude can be developed right from the high school level through well-designed curricula (Hattangadi, 2007). Women entrepreneurs can succeed in their business if they can overcome the typical
problems faced by them. Women entrepreneurs have to face various obstacles while developing their entrepreneurship.

2.6 Performance and Success of the Entrepreneurs

Krishan Lal Sharma tried to evaluate entrepreneurial performance in all areas of entrepreneurial activities in a manufacturing unit. This study reveals that the nature of role expectations is quite dynamic and therefore, the evaluation of role conformity involves several problems in specifying effective role expectations and using them as evaluative standards. The present study has explicited four stages of entrepreneurial growth viz; entry to manufacturing, efforts to establish markets, establishment of business and sustained growth of units after the proper establishment of business. The findings have indicated that factors like family occupational background and political system are effective at one stage and restrictive at another stage of entrepreneurial growth. The study also reveals that business and industrial background of family is more important for entry into manufacturing and establishment of business, whereas it is not effective at the third stage where the entrepreneurs have to maintain entrepreneurial orientation and commitment for expanding the business, because the entrepreneurs of business industrial families come to manufacturing not due to their potentialities, but because they get certain things well set by the family. At this stage non-business background of the entrepreneurs is more important. The findings also show that support of political assistance has led to quantitative growth but has restricted the qualitative growth of entrepreneurship. The study indicates that entrepreneurial orientation is not essential either for entering manufacturing or for entrepreneurial achievement (Sharma, 1975).

S.C. Bhanushali studied 125 units in the engineering industry in Kolhapur to assess their performance and suggest some measures to improve their chances of
success. He used Entrepreneurial Economic Success Index developed by M.M.P. Akhouri to measure entrepreneur’s performance (Bhanushali, 1987). The index represents:

1) Propensity to take risks,
2) Ambition to acquire success,
3) Capacity to raise resources,
4) Capacity to struggle for the development of the unit,
5) Management capacity to generate profit and
6) Ability to use capital assets efficiently and find out avenues to utilize them.

The value of the index measures the success status of the entrepreneur as under:

a) Very successful : above 0.7,
b) Successful : between 0.45 and 0.7,
c) Less successful : between 0.2 and 0.45, and
d) Unsuccessful : below 0.2

Measuring performance of the entrepreneurs accurately is very important in understanding new venture and small business success and failure. Gregory B. Murphy and Jeff W. Trailer in their study presented two phase examination of performance measurement in entrepreneurship research. In the first phase of the study they reviewed different articles to study different dimensions of performance. These articles examined different empirical studies treating performance as a dependent factor.

The dimensions of performance discussed in different articles are:

1) Efficiency (Return on investment), gross revenues per employee
2) Growth- changes in sales, change in employees market share growth
3) Profit – Returns on sales, net profit margin, gross profit margin
4) Cash flow level
5) Success/ Failure
6) Market share
7) Leverage
8) Other-change in employee turnover

The findings of this study clearly suggest that the relationship between a given independent variable and performance is likely to depend upon the particular performance measure used (Murphy, Trailer, 1996).

Over the past few decades there has been a significant rise in the number of female-owned establishments and in the research about them, so it is interesting to know whether there is any remarkable difference in the performance determinants for male and female entrepreneurs. RajiSrinivasan, Carolyn Y, Woo, Arnold C. Cooper in their study highlighted different determinants of success for male and female entrepreneurs. According to them success is measured at two levels: mere survival and significant growth of the venture. The present study seeks to examine whether survival and growth rates are indeed different for firms owned by male and female entrepreneurs. They also tried to find out whether the survival and growth determinants are also different for these entrepreneurs (Srinivasan, Carolyn, Woo, Cooper, 1996). The study reveals that the survival and growth rates of women-owned firms are lower than those of male owned firms. The study also shows that the start-up variables play a critical role in both the survival and growth of the firms. While survival determinants were found to be only slightly different for male and female owned enterprises, the growth determinants were quite distinct. The motivation variables play more significant role for the women, surprisingly their survival and growth do not depend on capital. The present study found that gender was a significant determinant of both survival and growth. Significant determinants of survival function were capital, professional advice, planned entry and similarity with past operations. The determinants for women were significantly different. They include need to run a successful firm, professional advice, trade connections and similarity with past operations. With respect to growth function significant determinants for the male sample included similarity with past operations and percentage of outside funding. Initial firm size was negatively related to growth. The significant determinants for female sub
samples were altogether different. They include need for autonomy, capital trade connections, planned entry, similarity with past operations and being in a professional industry.

Entrepreneurial performance and success are also determined by the choice made by an entrepreneur at different stages of the development of an enterprise. N. M. Pandain his study of the North Eastern Indian state of Nagaland analysed how individual background and choice characteristics of the entrepreneurs are associated with their success. He concludes that entrepreneurial choice for the small scale is advantageous in terms of employment generation and capital productivity, and disadvantageous from the point of view of enhancing the productivity of the employees. Panda expresses the opinion that there is a need to develop positive attitude among entrepreneurs towards managerial responsibility (Panda, 2000).

Entrepreneurial success is usually measured by two significant factors, namely annual profits and annual turnovers. Rachanachattopadhyay and Anjali Ghosh also used these two variables to measure the entrepreneurial success. They developed the following two formulae for measuring entrepreneurial success.

Success rate (on the basis of profit) = Increment in profit / Number of years of business
Success rate (on the basis of turnover) = Increment in turnover / Number of years of business

Chattopadhyay and Ghosh tried to expand the measurement of entrepreneurial success beyond the above analysis and included the other five factors as the predictors of entrepreneurial success. According to their study, individualism-collectivism, task motivation, locus of control and the entrepreneurial status (traditional/ first generation) are efficient predictors of entrepreneurial success. The present study used regression analysis for the measurement of success on the basis of profit and turnover and on the basis of each of the five predictors.
separately. In all cases regression coefficient showed high significance. It was seen that the achievement value was the most efficient predictor variable in predicting entrepreneurial success both in terms of profit and turnover (Chattopadhyay, Ghosh, 2002).

Performance of the entrepreneurs is adversely affected by several factors like ineffectiveness of support system and problems related to marketing, finance, labour, power, transportation and raw material.

A.S. Laxmisha in his study of Shimoga district of Karnataka examined the role of Karnataka State Financial Corporation in the promotion of entrepreneurship and the problems faced by assisted entrepreneurs in getting the assistance from Karnataka State Financial Corporation. A.S. Laxmisha conducted a study of 280 entrepreneurs from Shimoga district in Karnataka state. The Karnataka state financial corporation provided financial assistance to these entrepreneurs. The present study aims at examining the purpose of establishing KSFC and the impact of financial assistance by KSFC on the entrepreneurs. It also tried to identify the problems faced by entrepreneurs in getting the assistance from KSFC.

Findings of the study reveal that the KSFC has made a significant financial contribution to the development of entrepreneurship in the state of Karnataka. But the corporation has given little thought to the allocation of funds among different districts/areas of the state and thereby neglected the problem of regional imbalance. One of the crucial components of the promotional efforts of KSFC is its entrepreneurship development programmes. But the study indicates ineffectiveness of entrepreneurship development programme in promoting the entrepreneurship among the participants. According to A. S. Laxmisha the entrepreneurs selected in the sample faced the marketing problems, financial problems, labour problems, power, raw material and transportation problems. They also faced the problems related to rigid government rules (Laxmisha, 2004).
The performance of the entrepreneurs is governed by their socio-economic background, government support and the problems faced by them.

Several factors contribute to the performance and success of the entrepreneurs in business organization. An entrepreneur undertakes innovations and tries to implement them, but not all entrepreneurs are successful. Many of them are not in a position to turn their business into a sufficiently profitable organization (Mirjam, Prag, 2005).

The indicators of success and performance of an entrepreneur are:

1) The more personnel an entrepreneur has under his control, the more successful he is.
2) The longer an entrepreneur survives, the more successful he is.
3) The higher the profits of the entrepreneur’s firm, the more successful the entrepreneur is.
4) The higher the self-employment earnings are, the more successful the entrepreneur is.

In addition to the above determinants, there are some empirical determinants of the success of entrepreneurs.

1) Parental background – This includes parental education level, level and type of father’s job, parental household composition and family status.
2) Educational level – Higher the level of education and intelligence greater are the chances of succeeding in the business.
3) Risk attitude – Risk aversion debars people from entrepreneurship soundertaking risk in the business is necessary for succeeding in the business.
4) Gender – Women are usually at a disadvantage in their achievement as entrepreneurs due to their responsibilities at home, lack of credibility with capital suppliers and discrimination in the product market.
Several studies have been conducted so far to measure the performance of entrepreneurs. Rapid growth and high performance are the two important goals which every entrepreneur wants to attain. Nicholis Nixon and L. Charlene opined that leadership and management practices act as key factors in the sustainability of rapid growth and high performance in small and medium sized businesses. They identified five management practices which help SMEs to achieve high growth. These practices are business logic, capture and share information, build relationships, manage organizational politics and leadership style. Interviews of 15 CEOs from Canadian high growth entrepreneurial ventures were conducted to identify these practices. They provide necessary infrastructure to SMEs. Establishing clear vision and being available for the employees enable CEOs to give direction to the expansion of the company and encourage employee’s creativity (Nixon, Nicholis, Charlene, 2005). But MehralizadehYadollah and Sajady Sid Hossain used different indicators to study the performance of entrepreneurs. They examined the determinants of business start-up, long and short term success and failure of small businesses. The performance of the entrepreneurs under the present study is measured by using the following indicators.

1) The first indicator is to what extent the performance of successful and failure entrepreneur in small industrial business is related to their managerial skills?
In relation to this question four hypotheses are tested as follows:
i) Human relation skills of successful entrepreneurs are higher than failure entrepreneurs.
ii) Technical skills of successful entrepreneurs are higher than failure entrepreneurs.
iii) Conceptual skills of successful entrepreneurs are higher than failure entrepreneurs.
iv) The general abilities of successful entrepreneurs are higher than failure entrepreneurs.
2) The second indicator is to what extent the performance of successful and a failure entrepreneur in small industrial business is related to their human resource development indicators?

The hypothesis stated in relation to this question is as follows:
Successful entrepreneurs have better developed human resource indicators than failure entrepreneurs.

3) Third indicator is to identify how much the performance of successful and a failure entrepreneur in small industrial business is related to their financial situations.

The hypothesis stated for this question is as follows:
Successful entrepreneurs have more suitable financial situation than failure entrepreneurs.

4) Fourth indicator is to identify how much the performance of successful and a failure entrepreneur in small industrial business is related to their planning and organizational issues.

The hypothesis stated for this question is as follows:
Successful entrepreneurs are well organized and structured than failure entrepreneurs.

5) Fifth indicator is to identify how much the performance of successful and failure entrepreneurs in small industrial business are related to their economic and infrastructure environment of business in the city of Ahwaz. The hypothesis stated for this question is as follows:
Successful entrepreneurs use economic and infrastructure facilities of business in better manner than failure entrepreneur.

6) Sixth indicator is to what extent the performance of successful and failure entrepreneurs in small industrial business is related to informal issues (corruption, bribes etc).

The hypothesis stated for this question is as follows:
Successful entrepreneurs are less affected by informal issues than failure entrepreneurs.
7) Seventh indicator is to identify the barriers encountered by entrepreneurs at different stages of business.

The results of this study show that

a) From the failure entrepreneur’s point of view the important issues responsible for their weak performance and failure of their business were, their weak managing technical skills, financial issues, planning and organizing of their business, economic issues, informal issues, weak managing conceptual skills, personal skills, education and low training and weak human relations.

b) From the successful entrepreneur’s point of view the factors responsible for their high performance in the business were suitable management and technical skills, selection of appropriate personnel with relevant skills, education and more attention towards personnel training, application of management conceptual skills, financial issues, better human relations, recognition of the economic situation, planning and organization of their business and informal issues (Yadollah, Hossain, 2006).

Entrepreneurs may succeed or fail in the business. But what is more important is the attitude of the entrepreneurs towards success or failure. PolitisDiamanto and Jonas Gabrielsson used theories of experiential learning to examine why some entrepreneurs have developed a more positive attitude towards failures compared to others. There is a strong success bias in contemporary entrepreneurship research, where many studies focus on identifying successful entrepreneurs or “Best practice”. Failure in the context of new and small business is on the other hand often overlooked or even viewed in a negative light, even though it represents a significant outcome of entrepreneurial activity (Diamanto, Gabrielsson, 2007). Entrepreneurs with greater start-up experience can hence be expected to have developed a more positive attitude towards failure due to their own personal experience of many potential pitfalls that can occur between the initial conception of a business and a successfully launched new venture. Based on these arguments, the following hypothesis is proposed.
H1: There is a positive association between prior start-up experience and a more positive attitude towards failure among entrepreneurs.

In the initial stage new venture experiences number of obstacles which make founders aware of the problems. Based on this argument hypothesis proposed is:
1) Structure and use of external indicators for improving entrepreneurial performance.

The economic performance of SMEs is negatively

H2: There is a positive association between a higher experience of critical setbacks in the new venture creation process and a more positive attitude towards failure among entrepreneurs.

Entrepreneurs who have business closure experience have developed a more positive attitude towards failure due to the lessons learned from their own closure process. The hypothesis based on this argument is:

H3: There is a positive association between business closure experience and a more positive attitude towards failure among entrepreneurs

The findings of this empirical study show that H1 is supported with a significant proportion between start up experience and positive attitude towards failure. However there is no empirical evidence of significant association between higher experience of critical setbacks in the new venture creation process and a more positive attitude towards failure. There is consequently no support for H2 in the present analysis. Finally the results suggest that experience from closing down a business is significantly associated with a more positive attitude towards failure. Thus there is support for H3.

MurlidharBux, Marri Abdul Salam, Sumaro, Aitbar Ali Abbasi tried to analyse the performance of entrepreneurs by selecting 50 SMEs from province of Sindh and Pakistan covering the rice husking, dates processing and cotton ginning and pressing activities. The present study is based on various parameters like utilization of local resources, export production capacity utilization and revenue generation. The study was undertaken to investigate socio-economic background of the entrepreneurs, government support and problems faced by entrepreneurs.
The forms of organization in the selected units were proprietorship and partnership. The findings of this study show that entrepreneurs need liberal education rather than technical. Well/ technically educated entrepreneurs selected in the sample showed better performance than the less qualified entrepreneurs. Only business experience and managerial training were not enough to promote economic parameters unless and until they do not possess proper education. Entrepreneurs under study seem to be facing various problems. Even though government has taken lot of steps to solve their problems still more attention is needed (Muralidharan, Bux, Salam, Sumro, Abbasi, 2007).

Review of studies pertaining to the performance of entrepreneurs shows that no study has been done on the role played by distinct types of capital determined at the individual level and within the firm in terms of determination of economic and non-economic performance. Therefore the research undertaken by J. Leitao and Mario Franco regarding the impact of human capital and organizational capital on the determination of performance of small and medium level enterprises is quite significant. They tested the conceptual model of individual entrepreneurship capacity and its impact both on economic and non-economic performance of the entrepreneurs (Leitao, Franco, 2008).

The main findings of the study are:

1) The non-economic performance of small and medium scale enterprises is positively affected by enthusiasm at work, the incentives for interdisciplinary discussion and dialogue and efficient organizational structure.

2) The non-economic performance of SMEs is negatively affected by interdepartmental meetings and participative management.

3) The economic performance of SMEs is positively affected by the propensity for innovative activities, efficient organizational structure and use of external indicators for improving entrepreneurial performance.

4) The economic performance of SMEs is negatively affected by the entrepreneur’s intuition.
Performance of entrepreneur is greatly affected by the past experience in the similar line (Manuela, Onetti, Odorici, 2008). Manuela and others examined the role of past entrepreneurial experience in the new venture creation process. Their paper focuses on the concept of serial entrepreneur – an important type of habitual entrepreneur, in order to explain the phenomenon of a new venture creation. It is assumed that prior entrepreneurial experience of an entrepreneur plays a crucial role in the development of successful entrepreneurial skills, useful for a new venture. The present study aims to examine how serial entrepreneurs foster the new venture creation and development. It is assumed that entrepreneurship is not a genetic trait but a “learned skill”. The unit of analysis in this study is a serial entrepreneur. Three propositions concerning the importance of past entrepreneurial experience in terms of entrepreneurial social networks development have been developed in this study.

Proposition 1: Serial entrepreneurs are more able to leverage a broader set of social personal relationships to develop a new venture.

Proposition 2: Serial entrepreneurs are better able to gain resources from their personal strong networks of social capital and to expand them with new weak ties which are useful to support the launch of their new ventures.

Proposition 3: A serial entrepreneur is more able to realize an equal mix between strong and weak social relationships networks during the launch of a new business.

The study concludes that past experience can increase the entrepreneurial ability to learn also by leveraging external relationships.

It is interesting to know the impact of formal education on the performance of entrepreneur. Justin Van der Sluis, Mirjam Van Praag and Wim P. M. Vijverberg have taken the review of empirical studies based on impact of formal schooling on entrepreneurship selection and performance in industrial countries. This meta-analysis results into five main conclusions (Sluis, Praag, Viverberg, 2008)

1) The impact of education on entrepreneurship selection is insignificant.
2) The effect of education on performance is positive and significant.
3) The return to a marginal year of schooling is 6.1% for an entrepreneur.
4) The effect of education on earnings is smaller for entrepreneurs than for employees in Europe, but larger in U.S.A.
5) The returns to schooling in entrepreneurship are higher in U.S.A. than in Europe, higher for females than for males and lower for non-whites or immigrants.

Van Praag, Mirjam, Van Witteloostuijn, Arjen and Van Der Sluis, Justin also studied the effect of education on the relative performance of entrepreneurs vis-à-vis employees. This paper has taken individualistic perspective on entrepreneurship with the assumption that individuals maximize utility and that utility is determined mainly by income. The hypotheses formulated in the present study are:

1) The returns to education are positive for entrepreneurs.
2) The returns to education are higher for entrepreneurs than for employees.
3) The higher returns to education for entrepreneurs vis-à-vis employees are due to higher levels of personal control as how to employ ones assets including human capital obtained through education.
4) Education is positively associated with entrepreneurship status.

Alternative hypothesis: Education is negatively associated with entrepreneurship status.

Conclusions: The returns to education are higher for entrepreneurs than for employees. Entrepreneurship gives better opportunities to optimize the use of and returns from one’s education i.e. higher levels of personal control. The higher returns to education for entrepreneurs are due to fewer organizational constraints faced by entrepreneurs. In contrast as an employee an individual is bounded by organizational processes and structures. The choice of entrepreneurship is not positively but even negatively associated with education. People either perceive education as less valuable for entrepreneurship or people
with higher levels of education are less motivated to become an entrepreneur (Mirjam, Witteloostuijn, Arjen, Sluis, Justin, 2009)

Success of an entrepreneur also depends on the partners he chooses. New research by Paul A. Gompers, Anna Kovner, Josh Lerner and David S. S Scharfstein suggest that if you want to be a successful entrepreneur then you should choose those partners who have a track record of success. The study shows that previously successful entrepreneurs had a 34% chance of succeeding in their next venture-backed firm compared with 23% for those who previously failed and 22% for first-timers. Some component of performance persistence stems from “success breeding success.” Successful entrepreneurs usually select the right industry and time to start new ventures. Suppliers and customers also prefer to back a person with previous successes (Gompers, Kovner, Lerner, Scharfstein, 2008).

Wadhwa V., Raj Aggarwal, Krisztina “Z” Holly and Alex Salkever tried to explore company founder’s opinions and observations about their own trajectory and factors influencing the success or failure of their businesses. This research is based on a survey of 549 company founders in a variety of industries, including aerospace and defense, computer and electronics, health care and service. The responses to this survey clearly contradict some strongly held beliefs about starting a business and entrepreneurship. The four most important factors for entrepreneurial success, according to the respondents, are prior work experience, learning from successes and failures, management teams and luck (Wadhwa, Aggarwal, Holly, Salkever, 2009).

Networks and financing also were important factors, however when asked about sources of funding, few took venture capital or angel financing in their first venture. The lesser role of venture capital funding implied by the responses indicates that perhaps this avenue of funding is less useful for first time entrepreneurs than even bank funding. Further the lack of importance, the entrepreneurs place on investor advice implies that they value “smart money” less
than expected, and that entrepreneurs are even more self-reliant than previously assumed. The emergence of professional networks as an important success factor for startups implies that such weak yet functional ties are perhaps the most useful as opposed to close personal ties or extremely weak ties like those found in alumni networks. This could be a fertile area for study of social networks with regard to startups. Knowing the factors influencing the success of entrepreneurs is helpful in developing better policies for fostering entrepreneurship.

2.7 Impact of Globalisation on the Business of Ayurvedic Medicines

During last decade popularity of alternative medicines increased significantly world wide with noticeable trends in the united states in particular. This in turn accelerated global trade of herbal raw materials and herbal products and created high scope for the Afro-Asian as well as Latin American countries, which are the major suppliers of herbal raw materials in the world. Globalisation by its uniform policy helped to some extent to overcome the impact of heterogeneity in the trade regulations in different countries.

Globalisation is market centric and this market oriented approach is ultimately derogatory to India’s rich and powerful tradition of local health care. Though the middle class would also be affected by the globalization, the major sufferers of its impact would be the lower income group.

Globalisation has raised the issue of protection of traditional medicines. According to Dr. Zhang, up to 80% of population in Africa and 65% population in India depend on traditional medicines to help meet their health care needs. As a result of impact of globalization on many countries, the life style, culture and civilization (including attitude in use of traditional medicines) have also changed, which has caused the main issues on the protection of traditional medicine
knowledge, including equity, the preservation of knowledge against erosion, prevention, misappropriation and promoting self determination. Intellectual property rights may limit rather than enhance access to Traditional medicine knowledge. Dr. Zhang opined that cultivation and practice of good collection of medicinal plants should be encouraged for the sustainable use of medicinal plant resources for the preparation of traditional medicines.

Impact of globalization on Indian Bulk Drugs and Dyes sector was studied by MVIRDC World Trade Centre, Mumbai(2001).62 The objectives of the study are to understand the effects of various changes on SMEs in bulk drugs and dyestuff sectors and the responses and strategies of units in these sectors. The study finds that economic liberalization has created an open environment which is conducive for the growth of small and medium scale enterprises. The multilateral trading system, the lowering of restriction on imports on the ground of dumping and the dispute settlement mechanism as evolved by WTO are expected to strengthen the world trading system and therefore open up new trade opportunities. Tariff reduction by all member countries will result into opening up of new markets for exporting SMEs. Taxation is a major obstacle faced by SMEs. Reduction in import tariff is also an important obstacle. The study group observes that use of information technology is very poor with small firms. Globalisation and liberalization have improved the quality of Indian goods. The major problem faced by SMEs is the unavailability of funds. The study reveals that most of the SMEs are not aware about WTO and its implications.

According to Bikash Rath the most unfortunate impact of global trend is qualitative in the sense that now the priority is not conservation for local health care, but for greater utilization of market opportunities (Rath, 2005). The popular trend is to exploit, conserve or propagate medicinal plants basically for market forces, not for self-reliance in health care. One of the outcomes of globalization is superficiality. The opportunities of globalization are used to progress materially and even psychologically, but the progress is superficial one as it diverts us more
and more from our own strength and increases our dependence on market forces continuously.

World Trade Centre publication has put forward the fact that Ayurvedic medicines have taken the plunge into the global pharmaceutical industry. The trade of these medicines is affected in both ways, positive and negative, with the implementation of the agreement by World Trade Organisation.

Positive Impact on Ayurvedic Medicines

- Standardization: The various indigenous Ayurvedic medicines and their raw constituents will be standardized according to global norms.
- Research and development: The change in the patent law will enforce more specific and diligent research and development in India.

Negative Impact on Ayurvedic Medicines

- Prices: The global standing of Ayurvedic medicines will possibly increase their prices.
- Technology: There will be very little or no technology transfer or foreign investment to developing countries as multinational firms will be free to export finished products. The export of raw herbs will increase which will limit the value addition.
- Patents: The production of drugs will concentrate in industrialized countries which have introduced the patents only after the development of their own industries.
Indian systems of medicines as highlighted in the paper published by Exim bank “Road beyond boundaries: The case of select Indian health care” is broadly classified into two groups:

1) Organised sector comprising of well established manufacturers who operate in both domestic/international markets.
2) Unorganised sector comprising mainly the traditional manufacturers in terms of systems, practices and products.

Over 80% of the world population rely on the traditional systems of medicines, largely nature based (Exim Bank, 2005). According to WHO estimate, global market for herbal products including medicines, health supplements, herbal beauty and toiletry products is above US $16 billions. There are vast opportunities for the export of Indian systems of medicines. But the real limitation of ISM particularly Ayurveda is its nature sensitive approach. The Ayurvedic system is rooted in plants and herbs that are more prevalent in equatorial and tropical climate. Export of Ayurvedic products without adequate transportation and storage infrastructure is not possible. The survey of firms manufacturing Ayurvedic medicines reveals several constraints faced by the manufacturers during exports.

As per the publication of Exim bank “Exporting Indian health care” Ayurveda and Siddha are holistic systems of medicines and are considered to be safe, cost effective and without any major side effects. The domestic market for indigenous medicines is dominated by Ayurveda with a share of 84% while Siddha has a negligible presence. It is observed that the bulk of exports come from Ayurveda (nearly 98%) and the developed countries have been the traditional export markets for Ayurvedic products.
The exports of Ayurvedic products

Developed countries have been the traditional export markets for Ayurvedic products. However after increasing by more than 63% in 2000-01 to US $126.9 million, exports of Ayurveda virtually stagnated growing by a mere 1.2% to US $128.5 million in 2000-02. There was a fall in exports to Germany from more than US $ 8 million in 2000-01 to less than US $ 4 million in 2001-02. Other countries with notable declines as export destinations were Russia, UK, Nepal, Indonesia and Nigeria. Thus the global herbal market is continuously rising while India’s exports remain stagnant during 2001-02.

Exporters of Ayurvedic products face major constrains like lack of government support, lack of continuous supply of raw materials, lack of motivation for exports, financial constraints, lack of contacts, medicines exported as food supplements etc( Exim Bank,2005)

The comparative analysis of growth pattern of key parameters of small scale sector between pre and post reforms period done by examined the effectiveness of state sponsored development programmes and policies and the impact of economic reforms process on the growth and productivity of small scale sector. Study reveals that the development programmes and policies have failed to deliver goods in most cases and did not fulfill the aspirations of planners in terms of enhancement of productive efficiency, employment generation and raising the standards of living. The fact highlighted in the study is that economic reforms process affected the growth of small scale sector negatively, measured in terms of number of units, production, exports and employment. A fall in the rate of growth of the number of units and employment is a matter of serious concern for policy makers and planners. The results of the study show that the policy of liberalization and globalization is almost a complete failure on growth front. But the liberalization process intensified the competition in the domestic market
especially in the consumer goods sector. The positive side of the globalization is that the WTO regime allows the small scale sector to avail of most favoured national treatment for its exportable items (NeetuBala, 2007).

Increasing global demand for plant based medicines and natural product has resulted in the growing popularity of indigenous systems of medicines. In India Ayurveda has been seen as an indigenous counterpart to bio-medicines. Earlier the production of Ayurvedic drugs was concentrated in and around the physician’s residence but the growing demand for these medicines resulted into the shift in production from household level to bulk level (Harilal, 2007). Today there are highly modernized factories manufacturing Ayurvedic drugs by using mechanized production process. In this paper author tried to understand the organized Aurvedic manufacturing sector in Kerala.

The present study is divided into four sections:
The first section deals with contemporary Ayurvedic market and its nature.
The second section discusses manufacturing sector of Kerala and its performance.
The last two sections look into the export, research and development, product pattern shift and sustainability issues. The industrial scene in Ayurvedic sector has oligopolistic structure with few big firms dominating the market share and thousands of other small firms contributing very little, but having a wider social base (Harilal, 2009;45). Author points out ‘oligopolistic structure’ in Ayurvedic drug industry where few big firms dominate the market share and thousands of other small firms contribute very little. This study suggests that the growth of Ayurveda in comparison with the manufacturing sector of Kerala is promising with high level of growth and consistency in net profit and value of output. Ayurvedic manufacturing has better prospects with the present growth provided that there are higher incentives for R and D, sustainable use of raw material, further linkage with medicinal plat cooperatives and successful cluster promotion.
2.8 Conclusions

- After reviewing the literature on the theoretical paradigm about entrepreneurship it was observed that different approaches were developed to explain the concept of entrepreneurship using different criteria. Schumpeter included company directors and managers engaged in innovation activity, in the concept of entrepreneurship and at the same time excluded the individuals who just operate the business without carrying out innovative activities.

- Entrepreneurship is an outcome of strong economic motive as well as peculiar social culture and psychological characteristics.

- Innovation is neither necessary nor sufficient for entrepreneurial success, but it is an important factor determining the growth and survival of the firms.

- Intensity of human resource management and innovations are positively correlated.

- Socio-economic and occupational mobility of an individual is affected by n-achievement. Those who select business as a career have significantly higher n-achievement than those who opt for non-entrepreneurial career.

- Academics are less motivated to accept entrepreneurship as a career. It may be due to lack of practical training in university education.

- Men and women are guided by different motives. Women seldom enjoy corporate life. They are usually motivated by desire to do something and prove themselves. Men want to achieve the goals set by them.

- Migrant entrepreneurs are strongly motivated to grow. Migrant females are more entrepreneurial than their migrant male and native female counterparts.

- The case studies of Uganda and Sri Lanka do not support the conventional belief that necessity is the main motive behind entrepreneurship. On the
 contrary these cases show that the rate of entrepreneurial activity is positively correlated with the level of income.

- Entrepreneurial background is not the pre-condition for the emergence of entrepreneurship.

- The studies based on women entrepreneurship have revealed the diverse nature of women entrepreneurship. Usually women owned businesses are smaller than those owned by men. Majority of the women entrepreneurs find it difficult to clearly identify the project they want to undertake. Most of them are unaware of the special incentives provided by the government for their benefit. Most of the women enter the business to support their families, use their own skills and hobbies and to enjoy economic independence. Post globalization period is marked by the growth of women entrepreneurship and entry of women in non-traditional and male dominated sectors.

- The studies aiming at measuring of performance and success of the entrepreneurs used different indicators to judge their performance and success. One study has used the economic success index developed by M.M.P. Akhouri. The studies measuring the gender impact on the success of the entrepreneurs show that the survival and growth of female-owned firms are lower than those of male-owned firms. Though entrepreneurial success is measured by conventional factors like annual turnover and annual profits, the additional five factors can be used to measure the success. These factors are individualism, collectivism, task motivation, locus of control and entrepreneurial status. The statistical tool like regression analysis can be used for the measurement of success using these factors. Success of the entrepreneurs also depends on family background, educational level, attitude towards risks and gender of the entrepreneurs. The recent entrepreneurship research shows the strong success bias, but one study has put forward the fact that there is positive association between business closure experience and a more positive attitude towards failure.
• Studies examining the impact of globalization on the business of traditional medicines have shown that 80% of population in Africa and 65% population in India depend on traditional medicines. Economic liberalization and globalization reflected in lowering of restrictions on imports are expected to open up new trade opportunities for Ayurvedic medicines. But at the same time tariff reduction can be viewed as a major obstacle for the small and medium scale enterprises in developing countries like India.

• Globalization affected the trade of Ayurvedic medicines in two ways, positive and negative. Standardization of Ayurvedic medicines and more specific research and development in Ayurvedic medicines are the positive effects, whereas increasing prices of Ayurvedic medicines, export of raw herbs are some of the negative effects. Developed countries are the export markets for Ayurvedic products. Ayurvedic medicine industry faces lot of problems like lack of government support, lack of continuous supply of raw materials and lack of motivation for exports while exporting these medicines.

• Economic reforms have affected small scale industries negatively in terms of number of units, production, employment and exports. The positive effect is that the WTO regime allows the small scale sector to get favourable treatment for its exportable items. Increase in global demand for Ayurvedic medicines has brought shift in the production from household level to commercial level. Today Ayurvedic medicine industry is showing oligopolistic structure where a few big firms have captured the major market share leaving a negligible share to a large number of smaller firms.

Various studies reviewed for conducting research on “Entrepreneurship development in the field of Ayurvedic medicines- in post reform period in Thane district” show that no study has been undertaken so far to evaluate the
entrepreneurship development in a specific field like Ayurvedic medicines in the post reform period.

Even though Ayurveda and Ayurvedic medicines are receiving global recognition and the efforts are being made to make this indigenous medicine globally popular no study has been conducted to throw some light on the opportunities available for entrepreneurship development in this field and the future of the business of Ayurvedic medicines in the light of present globalization. The present study is an attempt to analyse, statistically the entrepreneurship development in the field of Ayurvedic medicines in post reform period in Thane district. The study has also tried to examine the impact of globalization on Ayurveda and the business of Ayurvedic medicines at macro level as well as at micro level i.e. at the level of enterprises selected in the sample.

Government has introduced various schemes for the promotion of small and medium scale enterprises, so it is imperative to find out the effectiveness of these schemes. The present study has tried to examine the effectiveness of these schemes by using two criteria of determining the effectiveness: i) the awareness about these schemes among the entrepreneurs and ii) the actual benefits received from these schemes.

No study about the entrepreneurship development has ever tried to guide and motivate the young generation regarding the choice of career as an entrepreneur. The present study is an attempt to tap these unexplored areas through an interdisciplinary approach.
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