CHAPTER 1

INTRODUCTION

Introduction

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Introduction

Entrepreneurship is well recognized to be an important driving force for the development of any economy (Schumpeter, 1934; Baumol, William, 2002). Entrepreneurs exploit opportunities and resources, create demand, innovate and lead for a structural change in an economy. In this process, they are forced to enhance their knowledge, skills and abilities in order to withstand the pressure generated by different forces nationally and internationally because, entrepreneurship does not create an impact on any economy through the simple presence of entrepreneurs or their numbers. Global Entrepreneurship Report 2010 suggests that an economy’s prosperity is highly dependent on dynamic entrepreneurial capacity which requires individuals with the ability and motivation to start businesses and further it requires societal perceptions about entrepreneurship. The report suggests that entrepreneurship should include participants from all social groups in the society particularly women, marginal groups from socially and economically backward communities.

The histories of economically developed countries reveal that there is a closer relationship between overall economic development and entrepreneurial activity. This has lead to a number of studies in the area of entrepreneurship. These studies suggest that some people are more likely to identify and exploit business opportunities and are successful while others are not so (Schumpeter, 1934; Mc Clelland 1961; Kirzner 1973; Low & Mac Millian, 1988; Shaver & Scot, 1991; Venkataraman, 1997; Shane & Venkataraman 2000). In connection with this, a variety of factors were identified, researched and debated. Some authors hold the view that people differ in their performance and they hold that these differences are due to variations in the beliefs individuals hold about the efficacy of perceived available resources at one’s disposal, expectations about the value of these resources (Kirzner, 1973), considerations of one’s opportunity costs (Amit, Mueller, & Cockburn, 1995), optimism...
(Cooper, Woo, & Dunkelberg, 1988; Khneman & Lovallo, 1994), action—orientation (Busenitz & Barney, 1997), and a wide variety of personal dispositions, such as tolerance for ambiguity (Begley & Boyd, 1987) or need for achievement (Johnson; 1990; McClland, 1961) and so on.

Experts suggest that individuals who undertake entrepreneurial activities for the pursuit and exploitation of opportunities differ from those who choose other career paths (Katz, 1992). They further hold that business start-ups are not accidental but they are pre-calculated, acquired, trained and developed to suit the requirements in the entrepreneurial environment. Therefore there are evidences to support that entrepreneurial process clearly involves, among others, personality factors which make an entrepreneur competent enough to carry on his business successfully. Studies have shown that higher the quota of entrepreneurial talent in a given society at a given time, the greater would be the rate of its economic development. Individual entrepreneurs are, thus, a necessary condition of economic growth.

**ENTREPRENEUR-DEFINITION**

Richard Cantillon (1725) and Jean Baptiste Say (1824) are some important French writers who expressed views on the role of the entrepreneur. For Cantillon, an entrepreneur is one who bears uncertainty, buys labour and materials, and sells products at certain prices. He is one who takes risks and makes innovation on factors of production. He was thus the first to recognize the crucial role of the entrepreneur in economic development.

It is Schumpeter (1947:151) who stressed the human element of entrepreneurial function as a major factor in the process of economic growth. For him innovation was the criterion of entrepreneurhsip, which is simply the doing of things that are already done in a new way. Schumpeter (1947:74-75) calls the carrying out of new combinations as ‘enterprise’ and the individuals whose function is to carry them out as ‘entrepreneurs’.
Meredith, Nelson and Neck (1991) state that entrepreneurs are people who have the ability to see and evaluate business opportunities; to gather the necessary resources and to take advantage of them; and to initiate appropriate action to ensure success.

According to Desai (1995) an entrepreneur is one who can see possibilities in a given situation, where others see none and has the patience to work out the idea into scheme to which financial support can be provided.

Most of the definitions given are in the context of western countries and may or may not be suitable to developing countries like India, where the socio, economic, political and other environmental conditions differ. Therefore in the Indian context, an entrepreneur is a person who performs almost all the activities of an organization including his search, discoveries and evaluation of economic opportunities, mobilizing necessary financial resources for the enterprise and taking ultimate responsibility of its management and the uncertainty of events and other activities of a venture and finally owns the reward whatever it is. Therefore, entrepreneurs play a key role in the promotion, development, expansion and the sustenance of his business in the complex environment. All such efforts made by an entrepreneur is called entrepreneurship, the emergence of which is directly related to the socio economic development of the society.

ENTREPRENEURSHIP-DEFINITION

Drucker (1985) defines “entrepreneurship as innovation in a business setting.” Further, Oison (1985) stated entrepreneurship as “an invention, an activity analogous to innovation as a primary entrepreneurial activity.” Timmons (1978) suggested that “creativity and innovation were conditions inherent in the role of entrepreneurship”.

Shane and Venkataraman (2000) and Venkataraman (1997) maintain that entrepreneurship is concerned with the study of how opportunities to produce future goods and services are discovered and exploited, by whom, and with what consequences.

Entrepreneurship is considered to be a creative process of organizing, managing an
enterprise and assuming the risk involved in the enterprise. In the same line, Hisrich and Peters (2002: 10) consider entrepreneurship as a “process of creating something new and assuming the risks and rewards”.

Samwel (2003) viewed entrepreneurship as a function which seeks investment and production process by raising capital, arranging labour and raw materials, finding site, introducing new techniques and commodities and discovering new sources for the enterprises.

According to Suresh Reddy (2004) – entrepreneurship is a composite skill, the resultant of a mix of many qualities and traits – these include tangible factors as imagination, readiness to take risks, ability to bring together and put to use other factors of production, capital, labour, land, as also intangible factors such as the ability to mobilize scientific and technological advances.

On going through these definitions, the following characteristics are commonly found in the entrepreneurship.

The discovery and exploitation of an opportunity (Shane and Venkataraman, 2000; Venkataraman, 1997); It needs an individual to pursue such opportunity (Brandstätter, 1997);

The individual is capable of deploying his/her entrepreneurial competencies to exploit such opportunities (Bird, 1995).

The understanding leads to define entrepreneurship in terms of the discovery of an opportunity by an individual who is able to deploy his/her entrepreneurial competencies in defining appropriate strategies to exploit such opportunity. This definition implies that entrepreneurship refers to the process of performing activities like creation, founding, adapting, and managing a venture (Cunningham and Lischeron, 1991).
The term competency is increasingly applied in the area of business promotions and its management activities effectively to ensure an excellent performance. It is because competency which is very much associated with the human resource plays a critical role for the promotion, its survival and success of a business organization when compared to other resources.

Entrepreneurial competencies are unique as much as it is those individuals who possess them personally which even their rivals can’t imitate because of the ambiguity about their origin and their embeddedness in the individual. Boyatzis (1982) who defines competency as an underlying characteristic exhibited by a person that can result in effective way in a job (Boyatzis, 1982).

Man et al. (2002) defined entrepreneurial competency as the total ability of the entrepreneur to perform a job role successfully. There is a general consensus that entrepreneurial competencies are carried out individuals, who begin and transform their businesses.

Johnson and Winterton (1999) observe that the range of skills and competencies required to run a small firm are qualitatively as well as quantitatively different from those needed in larger organizations. This is at least in part because, in an entrepreneurial context the focus is on the individual (Hunt and Meech, 1991).

It can be understood from the above definitions that entrepreneurial competency refers to all such attitudinal, behavioral, and managerial attributes of an entrepreneur which are required for to carryon his or her entrepreneurial activities successfully. These attributes may include attitudes, values, beliefs, knowledge, skills, abilities, personality, wisdom, expertise (social, technical, and managerial), mindset, and behavioral tendencies of an entrepreneur.
ENTREPRENEURIAL COMPETENCY AND ITS RELATIONSHIP WITH PERFORMANCE

Based on the idea of Boyatzis, the entrepreneurial competency, the central theme of this study, is defined as “underlying characteristics such as generic and specific knowledge, motives, traits, self-images, social roles, and skills which result in birth, survival, and growth of the enterprise” (Bird, 1995, p. 51). Studies have shown that these characteristics have an influential effect on a firm’s superior performance. The underlying characteristic in the definition serves as a predictor of behavior and performance in different situations and tasks. In accordance with Bird’s (1995) theory of entrepreneurial competencies, the present study also presumes entrepreneurial competencies as a mechanism whereby the likelihood of achieving business success can be improved.

Previous studies have shown that the concept of entrepreneurial competency has been the guiding principle of analysis (Chandler and Hanks, 1994; Chandler and Jansen, 1992; Man and Lau, 2000). The objects of these studies have been oriented to link managerial or entrepreneurial competencies with firm-level performance.

Research shows that an entrepreneur’s competency contribute to venture performance and growth (Lerner and Almor, 2002; Bird, 1995; Cooper et al., 1994). Further, there is evidence that developing entrepreneurial skills among entrepreneurs contributes to profitability and growth (Chandler and Jansen, 1992).

Gaskill, Van Auken, and Manning (1993), recognizing a number of external barriers to small businesses’ success in the US, conclude that it is internal factors (i.e., managerial and planning skills) that more often inhibit, or enable business success.

Successful entrepreneurs have been described as extrovert risk takers who are creative, flexible, and independent (Ibrahim & Goodwin, 1986). Likewise, Cunningham and Lischeron (1991) list out successful entrepreneurs as individuals who are assertive, extroverted, sociable, single-minded, diplomatic, decisive, and judgmental. Boyd, and Wright (1992) have argued that entrepreneurs are strategic leaders who, through their
actions, influence business success. They start their own business, formulate strategy, recognise opportunities, and translate these opportunities into business activity (Beaver & Jennings, 2005; Shook, Priem, & McGee, 2003).

However, it has been difficult to ascertain why, in similar situations, some entrepreneurs fail while others succeed. Therefore it is thought that the focus on “entrepreneurial competencies” offers a practical solution for addressing this phenomenon. Brush and Chaganti (1998) argue that due to a lack of resources, especially skilled workers and sophisticated technologies, small firms are forced to depend on the competencies of the entrepreneurs for their successful performance.

Although a number of variables, like organizational and environmental, are vital to firm’s performance, it is important to acknowledge that the entrepreneur acts as a gatekeeper, enabling the internal resources of the organisation to be utilised in order to achieve success. The critical nature of this gate-keeping role highlights the importance of examining the knowledge, skills, attitudes and behaviours of the entrepreneurs, and how these impact upon firm performance.

ENTREPRENEURSHIP- INDIAN SCENARIO

In India, entrepreneurship had been traditionally concentrating in the hands of a few communities. As the economy is liberalized, privatized and globalised, these communities may not be able to satisfy the increased demands of the society. This fact requires building up of wider base of entrepreneurial talents across different social groups, particularly non–traditional entrepreneurial communities with entrepreneurial intensions and behaviors.

It is also found that, there is a wide spread occupational change or shift among community groups particularly amongst the non–traditional entrepreneurial communities like socially and economically backward and disadvantaged sections. Due to fast growth of education, industrialization and urbanization these groups have moved from villages to urban areas and found them settled in different non-traditional occupations such as
employments in the organized sectors over a period of time, self employments, industry, business, and services and so on. But observations suggest that the rate of participation of different social groups in industry and trade is not uniform and it shows a high variation between socially and economically forward and backward groups (Economic Census and CSO, 1998). Therefore a study of this nature has become an imperative.

The exhaustive economic survey conducted in India by the Central Statistical Organization (CSO) covering 30.35 million enterprises shows that the enterprises that are owned by Scheduled Casts (SC) and Scheduled Tribes (ST) put together account for only 11.7 percent both in rural and urban areas. On the other hand, enterprises owned by Other Backward Classes (OBC) and Other Casts (OC) entrepreneurs account for 33.1 percent and 55.2 percent respectively (Economic Census and CSO, 1998). There are also inter-state variations in terms of industry focus among these social groups.

The survey also points out that the overall growth rate of enterprises owned by persons belonging to the SC category has fallen significantly from 3.42 percent in 1980-1990 to 0.4 percent in 1990-1998. The decline is seen both in rural and urban areas. Contrary to this, the growth rate of enterprises owned by entrepreneurs belonging to ST category has increased significantly, from 4.16 percent (1980-90) to 6.64 percent (1990-98) and the increase is sharp in the urban areas, from 2.37 percent to 12.24 percent. Therefore the issue needs to be addressed by policy makers, academics, researchers, trainers and everyone who is concerned about the balanced development across all social groups in the country.

India’s founding fathers envisioned a nation of social equality and justice towards which all stakeholders, including government, industry, institutions and the society have made considerable amount of growth. But socially and economically backward and disadvantaged groups in India have not been able to realize either their full potential or the benefits of all such socio and economic developments over centuries.

One of the distinctive and pervasive features of Indian society is its division in the
lines of castes and sub-castes. The backward communities have remained socially and economically backward and disadvantaged for a long. These communities for a long time faced problems such as untouchability, social and economic discrimination, inequality, illiteracy and poverty, hindering their economic and social development and deprivation of access to opportunities as well as resources, reflecting vicious circle of deprivation. These deprived social groups do not have enough economic opportunities to earn their livelihood through gainful employment, and do not have social and political status in the society. In the absence of this, they become dependent on the better off sections of the society serving their interest on the one side and majority of the socially and economically backward class people living in rural areas and are mostly connected to land predominantly as daily coolies or as marginal farmers on the other side. Even in urban areas these people are mainly engaged in unorganized sector. Only a very small percent of this group have entered into organized employment either in government departments or public sector undertakings and managed to escape from poverty and locate themselves up to a reasonable level of prosperity. They are continued to be socially and economically backward and are languishing at the bottom of the social and economic pyramid. In economic terms, most of them are still poorest of the poor.

The Govt. of India, since independence, has been making concerted efforts to provide financial services to the poor at the affordable cost in its endeavor to mitigate the problems of poverty and unemployment. It laid special emphasis on expanding network of banks all over the country in order to provide credit to the poor and weaker sections of society to enable the non-traditional business communities to set up businesses. In addition, the Governments have also launched several subsidized wage and self-employment programs for the benefit of the poor. Despite all these, a massive gap exists between the haves and have not’s.

The development of any society depends on the human resource development of that society. Everywhere it is increasingly realized that human resource development is a necessary condition for achieving all the national goals. It is important that any
programme of planned development can be brought about by becoming the active agents of social change. Human resource development is the process of building the knowledge, the skills, the working abilities, and the innate competencies of all the people of all social groups in the society. In view of this aspect also, the study of this nature become an important one.

In this background one of the most important tasks ahead for the Indian society is the problem of mounting unemployment, poverty, illiteracy and so on, particularly among the socially and economically backward and disadvantaged communities. This concern has assumed a greater significance especially in view of the changing socio and economic scenario in the wake of liberalization, privatization and globalization. This is because all nations are committed to development. Development must be across all social groups in the society irrespective of their caste, religion irrespective whether they live rural or urban areas and so on. Development also means growth plus change. Change in turn is social and cultural as well as economic and, qualitative as well as quantitative. The anticipated changes on all these fronts then become the goals of the contemporary societies. To ensure this, the study of this nature may sow the seeds.

In India, millions of people are living below the poverty line and it is impossible for any government to provide means of livelihood to everyone. In addition, the fundamental feature of the reforms system is the declining role of the government on various areas of operations including education, employment, and empowerment and so on. Research studies have shown that the cure for the poverty in any part of the world is to stimulate more entrepreneurial activity and business start ups with a systematic agenda of changes in the mindset, attitudes and competencies of people from amongst different communities particularly the socially and economically backward and disadvantaged groups.

Therefore the situation demands for fostering of entrepreneurship among these groups and encourage people to come out with entrepreneurial competencies.
The economist turned humanitarian and the Nobel Laureate Mohammad Yunus\(^1\) has rightly said that “poverty is a threat to peace” and the frustrations, hostility and anger generated by this abject poverty cannot sustain peace in any society in the world. While receiving the Nobel Peace Prize he addressed to the Nobel Platform unveiling his bold vision for ending global poverty through social businesses.

By defining entrepreneur in a broader way, he said, the character of capitalism could be changed and entrepreneurial efforts among them would be the means to resolve many of the unresolved social and economic problems even within the scope of the free market. He also emphasized that lasting peace cannot be achieved unless large population groups, particularly the backward communities, find ways to break out of poverty. Therefore socio and economic development of any country will be meaningful only when the fruits of which reaches the bottom segment of the have-nots.

A large percent of youth in India belonging to the weaker sections live in rural and urban areas. They are neither able to pursue further studies nor able to aspire for employment that earns them a decent livelihood. In the current scenario their empowerment is inevitable to ensure a harmonious living among different social groups. Their so called traditional sources of economic activities, predominantly as labourers in agriculture and unorganized sector, have become either doomed or reduced. Hence, the object is to make them entrepreneurs or self-employed to provide jobs to themselves and others. In the present scenario, the weaker sections in the society must break open their mind set and orient themselves towards taking up which could be a better means to empower them socially and economically.

The dramatic change in the social status of the Nadar community in Tamil nadu and Mahishya community in West Bengal in the last few decades indicate the power of business through entrepreneurship. Therefore honest efforts must be made in India constantly at all

\(^1\) Muhammad Yunus - Nobel Lecture”. Nobelpriize.org. 6 Nov 2011
levels to encourage people among the socially and economically backward communities to become employers, manufacturers, suppliers, vendors, dealers, distributors, agents and so on.

PROBLEM OF THE STUDY

“Entrepreneurship is a matter of skills, not cultural inheritance. That is why entrepreneurship may be one of the most important channels through which education raises economic productivity”. (World Development Report, 1991:11).

The pace of entrepreneurship development in India, taken as a whole, has so far been gradual, and the process has been dominated for the most part by social groups which were already well established economically and politically. There have been lesser opportunities for participation by some groups of the society which were traditionally placed lowly. However, there have been some interesting exceptions to the general picture that Nadars in TamilNadu and Mahisyas in West Bengal, who were traditionally non trading communities, have proved to be successful in the area of entrepreneurship.

There were arguments as to whether entrepreneurial characteristics are born with people of certain communities and families with business backgrounds. It was questioned as to whether entrepreneurial qualities can be taught or trained and developed. It was also speculated that ‘an individual is what he or she is’ and further held that significant change in personal traits is not possible.

Cunningham and Lischeron (1991) identified six schools of thought on entrepreneurship that explain what constitutes entrepreneurship. Of the six schools, three assert that entrepreneurial traits are innate and cannot be developed or trained in the classroom. The other three schools of thought hold that entrepreneurial skills and competencies can be acquired through formal training

Empirical evidence suggests that some aspects of human nature can be changed. Mc Clelland (1965) has addressed to this question based on his own training process. He
found that personal traits or competencies can be changed and therefore people can be motivated towards entrepreneurship. Followed by this, latter studies also have accepted the premise that personal attitude, traits, knowledge and skills can be changed through appropriate training and development. Responding to this only, the training academies like Entrepreneurship Development Institute of India- Ahmadabad provide work-based learning programs in order to simulate an environment in which entrepreneurial competencies can be developed among the prospective entrepreneurs across different communities.

According to Hagen (1962; p185), the basic cause of entrepreneurial change is the perception on the part of the members of some social group that their purpose and values in life are not respected by groups in society whom they respect and whose esteem they value (p.185). Hagen’s approach is consistent with Mc Clelland’s notion that “n-ach” and social status can be reached through entrepreneurship. For Hagen, marginality is the source of entrepreneurial energy.

The view was also supported by Geertz (1963) who observed that mere lack of status does not lead to entrepreneurship, instead, it is specifically withdrawal of status respect, resulting in a loss of prestige which in turn triggers an entrepreneurial response. Along the same lines, young (1971) found that entrepreneurship occurs when a group has a low status and has been denied access to mainstream socially but still has more resources than other marginal groups. Shapero (1975) generalized that most entrepreneurs are displaced persons who have been dislodged from their familiar niche.

Aldrich, Jones and McEvoy (1984 &1993) stated that discrimination by majority society restricts disadvantaged groups to have access to political power and social status and therefore such group members turn to the business sphere as a means of furthering their personal ambitions. Brenner (1987) has noted that entrepreneurship is often a way to fight adverse circumstances. Entrepreneurship is thus sometimes an adaptive response behavior to marginality. It may also be a means to social integration when other paths are closed.
In view of the findings discussed above, it can be generalized that entrepreneurship is indispensable for the survival of people across different social groups particularly the disadvantaged groups in any society. The present study, therefore, presumes that entrepreneurship is not a characteristic endowed with some society, group or a caste or a religion and so on. It further assumes that entrepreneurial qualities are widely distributed across people of different communities, religion, cultured backgrounds, under different conditions of life.

Development of entrepreneurship among marginalized, disadvantaged and backward communities, therefore, will enhance their socio and economic status in addition to creating a pluralistic society. It will also help to foster ideologies of self–reliance instead of a high level of dependence on the governments for any reservation benefits, employment opportunities or for any other economic obligations as the role of the government has become limited in the developmental activities.

In the Indian context, it is observed that, some social groups like, Marwarees, Gujaratis, Panjabis, Sindhis, and Vyshyas produce large number of capable and successful entrepreneurs, while others, particularly backward casts, fail to do so (David.B and Nancy S.Meyer.2007). It leads to questions as to what makes some people to possesses more entrepreneurial competencies than others? In other words, what qualities, skills or characteristics are possessed by these people that make them emerge as entrepreneurs and be very successful in their venture?

The present study, therefore, makes an earnest attempt in this direction to find out whether the portfolio of entrepreneurial competencies remains the same or differs among the entrepreneurs of backward and other communities? and further to discuss the nature of such competencies if they differ among the respondents.

NEED FOR THE STUDY

The above review of literature on entrepreneurship throw light on many issues of entrepreneurship. Some of them have made attempt to throw light on what enabled certain
classes of people to transform themselves into an industrial class. Some scholars have made attempts to explore the emergence of entrepreneurship among different castes and religions in India. But all these studies hardly have left with any conclusive evidence to suggest the nature of entrepreneurial competencies possessed by entrepreneurs of different communities particularly among socially and economically backward communities in India.

Only a very little evidence exists on what prompted some of the members of socially and economically backward communities to enter into entrepreneurial activities in India. Also the question of which class of entrepreneurs are endowed with the required entrepreneurial competencies than others has not been answered at all. Therefore the significant gap is available from the earlier studies have warranted the present study.

Such literature would be of much helpful to government and non-governmental organisations and banks and financial institutions to frame policies for the promotion of and development of entrepreneurship among the increasing number of prospective entrepreneurs particularly from socially and economically backward communities in India.

**SCOPE OF THE STUDY**

The term business has got a wider connotation including almost every human effort which is enterprising. Further every enterprising person can be called an entrepreneur. But to keep this study within the manageable limits, it is limited to include entrepreneurs registered under SSI with in Chennai district in the state of Tamilnadu. Further the study is concerned only with entrepreneurs who have registered on or after April 1, 1990 to March 31, 2000 and carry on their businesses only in the designated locations in Chennai city.
OBJECTIVES OF THE STUDY

The present study is primarily aimed at assessing the entrepreneurial competencies available between the backward and other community entrepreneurs. Specifically the study is intended:

1. To study the socio and demographic characteristics of entrepreneurs;

2. To study the nature of attitudinal competency among the respondent entrepreneurs;

3. To evaluate the nature of behavioural competency among the respondents; and

4. To assess the nature of managerial competency among the respondents.

HYPOTHESES

In furtherance of the analysis in line with above stated objectives, the following hypotheses have been framed.

1. There is no difference in the attitudinal competency among the entrepreneurs of different social groups;

2. There is no difference in the behavioural competency among different social group entrepreneurs;

3. There is no difference in the managerial competency among different social group entrepreneurs;

RESEARCH METHODOLOGY OF THE STUDY

The present study is basically an exploratory, evaluative and predictory in nature to empirically test the nature of entrepreneurial competencies found among the respondents among the backward and other community entrepreneurs in Chennai city. The study is primarily based up on the survey method with the help of primary data collected through the interview schedule.
The instrument was developed in different stages. At the first stage, a total of 17 competencies were identified by a synthesis of the review of earlier studies. At the second stage, the list was given to a panel of 15 experts including scholars, experts in the field of psychology and entrepreneurship and practicing entrepreneurs drawn from the location of the study to add any other competency attributes required to be included and at the same time to eliminate any attribute found to be redundant or irrelevant. This process has added 12 more and eliminated 2 competencies from the preliminary list and making it a list of 27 attributes to be studied. At the final stage, the list of 27 entrepreneurial competency attributes were given to 10 entrepreneurs in the study area for validation with a request to add or eliminate and to rate each attribute as either relevant or irrelevant to entrepreneurs in Chennai city. All the 10 entrepreneurs have responded positively and returned the validated list of 25 attributes to be important for an entrepreneur in Chennai city by dropping two items from the list.

The panel of experts was also requested to classify all the 25 attributes in to different groups and give them an appropriate heading for the purpose of easy analysis and reporting. Accordingly the attributes were classified in to three groups namely attitudinal group with 7 attributes, behavioral competency with 10 attributes and managerial competency with 8 attributes. The portfolio of these competencies included the knowledge, skills, attitudes, behaviors that Chennai entrepreneurs required to be successful.

The primary data to be collected included 14 demographic, 5 organizational variables and 25 attributes of entrepreneurial competencies grouped in to three domains namely attitudinal, behavioral and managerial competencies. Each competency dependent variable was tested in the light of Likert’s Five Point Scale by using 5 statements (dimensions) to elicit the respondent’s opinion in order to assess the nature of such competency among the entrepreneurs between community groups in the presence of demographic variables.
Population and Sample of the Study

The population of the present study includes working entrepreneurs drawn from different social groups who have registered with the Department of Industries and Commerce, Govt. of Tamilnadu during 1990 to 2000 under tiny and small scale sector. There were 480 SC/ST registered entrepreneurs, 614 MBCs, 996 OBCs and 369 Other caste entrepreneurs, aggregating to a population of 2459 entrepreneurs, in the study areas. Stratified random sampling technique was applied and a sample of 343 entrepreneurs from the population of the study area by using the sampling formula.

All the sample respondents were practicing entrepreneurs and most of them had a busy schedule in attending their businesses. Most of them could not even spare time to fill in the questionnaire. Therefore the researcher was resorted to interview schedule to collect the primary data. The instrument questionnaire was given to all the 343 sample respondents. However, 211 respondents have positively responded.

The primary data included demographic, organizational variables and attributes of entrepreneurial competencies. The secondary data in respect of list of the registered entrepreneurs was collected from the Directorate of Industries and Commerce of the Government of Tamilnadu. In addition to this, the list of entrepreneurial competency variables and other secondary data was obtained from published reports and research papers etc.

Location of the Study

The study was conducted from the entrepreneurs who have established their businesses and industrial undertakings in the Corporation limits of Chennai, the capital city of the state of Tamilnadu, one of the economically developed states in India (Taub & Taub, 1989). Chennai city being one of the metropolitan cities in India, has large number of registered industrial and commercial establishments in small, medium and large scale sectors like in Ahmadabad, Mumbai and Calcutta. Therefore Chennai was decided to be the region for the present study to assess entrepreneurial competency among the
SOCIALLY AND ECONOMICALLY BACKWARD COMMUNITIES. Further, Chennai city was stratified in to different areas on the basis of density of the respective caste entrepreneurs for the purpose of collection of primary data. Accordingly Mettupalayam was selected for SC&ST entrepreneurs, Washermanpet and Korukkupet for MBCs, Chindaripet for OBCs and Parrys for OTHER category entrepreneurs. These locations were identified based on the information provided by the Department of Industries, Govt. of Tamilnadu.

For the purpose of analysis and interpretation, this study divides the caste groups in to two namely, socially and economically backward communities on the one side and other communities on the other side. The first and main group of the study includes scheduled cases / scheduled tribes and most backward castes and here in after this group will be called backward communities. The second group includes other backward and forward casts and here in after this group will be called other communities. Other community group also includes Muslim and Christian respondents as they neither come under scheduled cast or scheduled tribe nor they come under most backward communities in the state of Tamilnadu.

TOOLS OF ANALYSIS

The tools used in the study are as follows.

Simple descriptive statistics such as Mean, Standard deviation and ‘t’ tests and ‘F’ tests were used wherever it was necessary to find the difference if any, in the level of opinion between entrepreneurs across different social groups.

MANOVA (One Way Multivariate Analysis of Variance) was used to ascertain whether entrepreneurial competencies differ or not between entrepreneurs of backward and other communities.

Two-Way MANOVA was also used to analyze the effect of Community in the presence of other demographic factors on entrepreneurial competency between backward and other community entrepreneurs.
Further, to explore the effect of the independent factors on each dependent variable individually, univariate analysis was conducted as a follow up of MANOVA (Field, 2005).

To find out the suitability of these tools of analyses, the tests like effect size (partial eta squared) and observed power (prediction power) were used and the results were tested with the ‘F’ statistics, ‘t’-test and also the Tukey’s HSD post hoc-tests.

**PERIOD OF THE STUDY**

The present study was conducted during the period between 2005 to 2010. The period was used for the purpose of reviewing the literature on the concepts of entrepreneurship, entrepreneurial competency, reviewing the earlier studies, establishing rapport with the Directorate of Industries and Commerce, familiarizing with the entrepreneurs in the study area, collection of primary data, processing the data through the statistical packages like SPSS, analyzing the results and finally writing the report.

**LIMITATION OF THE STUDY**

This study being dependent upon the primary data, it may suffer from its inherent weaknesses like the information based on the entrepreneurs judgment of facts, memory power, temptation of the respondents to not to disclose their weakness etc. Therefore the study results may have implications only in case of conditions similar to the present one.
CHAPTERISATION OF THE STUDY

The study is divided in to seven chapters including the present one.

Chapter I  Introduction

This chapter gives a brief introduction, the definitions and meaning of entrepreneur, entrepreneurship, and entrepreneurial competency and the relationship between competency of the entrepreneurs and the successful performances of business enterprises. Further it presents the research design of the study and finally the chapterisation.

Chapter II  The Concept of Entrepreneurial Competency and Review of Earlier Studies

This chapter broadly describes the concept of entrepreneur, entrepreneurship and entrepreneurial competencies. This chapter also presents an over view of the review of earlier studies in the field of entrepreneurship with special reference to entrepreneurial competency.

Chapter III  Demographic and Organisational Characteristics of the Entrepreneurs

This chapter presents an outline of the social and demographic characteristics of the sample entrepreneurs of the study.

Chapter IV  Assessment of Attitudinal Competency of the Entrepreneurs

This chapter analyses the nature of attitudinal competency and evaluates the same across different social group entrepreneurs.

Chapter V  Assessment of Behavioral Competency of the Entrepreneurs

This chapter analyses the nature of behavioral competency and evaluates the same across different social group entrepreneurs.
Chapter VI  Assessment of Managerial Competency of the Entrepreneurs

This chapter analyses the nature of managerial competency and evaluates the same across different social group entrepreneurs.

Chapter VII  Summary, Findings, Conclusions and Suggestions

This chapter summarizes the whole study, brings to light the major findings and have attempted to give suggestions based upon the findings and finally concludes the outcome of the study.