CHAPTER - II

PROBLEMS AND HYPOTHESES
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2.1 Problems: Their Statement
2.2 Variables: Their specifications
2.3 Hypotheses: Their Formulation
When a researcher in pursuit of knowledge about natural events of a kind faces a problem, he sets upon a research activity with the purpose of answering the problem. The awareness of a problem thus becomes the starting point of a research in any area of knowledge. Without a problem in view no research can take its birth. Hence a clear notion of the problem is a precondition for any kind of research. It is true that quite often one may start with a rather general or confused idea of the problem which becomes more clearly articulated with the progress of the research. It has, therefore, been maintained that "a large part of solution of a problem lies in knowing what it is one is trying to do" (Kerlinger, 1973). Since a problem emerges in a state of
ignorance or doubt, it takes the form of an interrogative statement. While posing a problem, the researcher has to keep in view that the problem, is such that it can be amenable to empirical testing. By testibility is meant that it is possible to make a probability statement about the answer, that is, to determine empirically a certain degree of probability about its being true or false (Mc Guigan, 1960).

A problem then is an interrogative sentence or statement that asks: what relation exists between two or more variables? If the problem is a scientific one it will almost always contain two or more variables. In order to plan a research so that the researcher may be able to arrive at a conclusive answer to the problem in hand, he has to provisionally accept an answer and then empirically test the tenability of the answer. "A researcher observes an event, wonders about it, formulates some tentative ideas about it, and sets out to test the accuracy of his ideas" (Bachrach, 1972). Such a conjectural statement about a relationship among two or more variables has been called a hypothesis. Like the problem every scientific research should involve a testable hypothesis about a relationship among two or more variables. The variables used in scientific hypothesis should be operationally defined. In order that the hypothesis be testable, the two or more variables contained
in it must be measurable and it must also specify how these variables are related. The first part of the statement is called the antecedent, the second part is consequent. The logical form of statement applies a casual connection: the consequent follows from the antecedent. Keeping in view, the purpose of the present study, therefore, the following problems have been set forth in an interrogative form, to seek their scientific solutions:

2.1 PROBLEMS: THEIR STATEMENT

(i) Do extraverted entrepreneurs/business owners significantly differ from introverted entrepreneurs/business owners with respect to their preference for stress reducing devices?

(ii) Do emotionally stable entrepreneurs/business owners significantly differ from emotionally unstable entrepreneurs/business owners in their preferred styles of coping with stress?

(iii) Do entrepreneurs/business owners with high psychotic tendency differ significantly from the ones with low psychotic tendency in their stress coping mechanisms?

(iv) Do entrepreneurs/business owners of high and low intelligence differ significantly with respect to their stress coping mechanisms?
(v) Does sex influence the preference to stress coping strategies of the entrepreneurs/business owners?

(vi) Is caste of the entrepreneurs/business owners associated in any systematic way with the preference they give to the stress coping devices?

(vii) Does business history in the family influence the preference to stress coping devices given by the entrepreneurs/business owners?

(viii) Is there any systematic association between the preference to the stress coping strategies given by the entrepreneurs/business owners and the size of industry they run?

Careful study of the above mentioned problems reveals that it contains certain number of independent variables such as, four demographic variables namely sex, caste, business history and size of industry, four personality variables namely, extraversion, neuroticism, psychoticism and intelligence and one dependent variable, namely preference to stress coping devices. Therefore, before arriving at the research-worthy hypotheses it is better to understand the operational characteristics and properties of the independent
and dependent variables involved in the present investigation.

2.2 VARIABLES: THEIR SPECIFICATIONS

Personality Dimensions:

Eysenck is a type-cum-trait personality theorist. Eysenck's (In Brody, 1972) personality theory serves as a bridge between biological and sociological aspects of psychology. Eysenck has used the method by studying groups of individuals who share a common psychiatric diagnosis e.g. neurotics and psychotics. Eysenck's (in Hall et al., 1989) descriptive system includes the four major personality dimensions: extraversion, neuroticism, psychoticism and intelligence. Hence the following pages have been devoted to provide a bird's eye view of these dimensions:

Extraversion: The typical extravert is sociable and likes parties, has many friends, needs to have people to talk to, and does not like reading or studying by himself. He craves excitement, takes chances, often sticks his neck out, acts on the spur of the movement and is generally an impulsive individual. He is fond of practical jokes, always has a ready answer and generally likes change. He is carefree,
easy going, optimistic and likes to "laugh and be merry". He prefers to keep moving and doing things, tends to be aggressive and to lose his temper quickly. His feelings are not kept under tight control, and he is not always a reliable person. (Eysenck, 1957). According to Eysenck, Arnold and Meili (1972) extraversion is an attitude type characterized by positive movement of subjective interest in the object or a direct attitude to the objective world in evaluation and intention. Direction of psychic energy outwardly tends towards superficial contact, shows "an obliging apparently open and willing nature which easily fits in with any situation, quickly establishes relationships and ventures confidently and unhesitantly into unknown situations without regard to possible problems", with good "adaptation". Eysenck (1953) considers extraversion to be statistically proven personality dimension. The questionnaires used in his factor analysis accord with Jung's description and show close relationship with cyclothmic type. Eysenck's (1953) extraversion factor resembles with but is not identical to that discussed by Carl Jung. The typical introvert is a quiet, retiring sort of person, introspective and fond of books rather than people; He is reserved and distant except to intimate friends. He tends to plan ahead, looks before he leaps, and distrusts the impulse of the moment. He does not like excitement, takes matters of everyday life with
proper seriousness and prefers a well ordered mode of life. He keeps his feelings under close control, seldom behaves in an aggressive manner and does not lose his temper easily. He is reliable, somewhat pessimistic and places great value on ethical standards. Individuals in which excitatory potentials so generated are relatively weak, are thereby predisposed to develop extraverted patterns of behaviour, individuals in whom excitatory potential is generated quickly and in whom excitatory potentials so generated are strong are thereby predisposed to develop introverted patterns of behaviour. Eysenck (1952) opined that in the extraverts cortical excitation levels are generally low, while in the introverts excitation level are high.

**Neuroticism:** This is the second important factor after extraversion in Eysenck's personality model. This general factor corresponds largely to Cattell's (1966, 1971) second order inventory factor ("anxiety"), and relates to intensity and control of emotional responses. According to Eysenck (1953) neuroticism is closely bound up with ANS function, especially with the duration of adrenergic (sympathetic) excitation, and is partly inherited. High N scores are indicative of emotional liability and overreactivity. High scoring individuals tend to be emotionally overresponsive and to have difficulties in returning to normal state after
emotional experiences. Such individuals frequently complain of vague somatic upsets of minor kind, such as headaches, digestive troubles, insomnia, backaches etc., and also report many worries, anxieties and other disagreeable emotional feelings. Such individuals are predisposed to develop neurotic disorders under stress, but such predisposition should not be confused with actual neurotic breakdown; a person may have high scores on N while yet functioning adequately in work, sex, family and society spheres. Low scorers on the Neuroticism scale tend to be better adjusted and more stable emotionally.

So far as the phenotypic aspect of N is concerned at positive extreme, there are people whose emotions are stables, less easily aroused, people who are calm, even tempered, carefree and reliable representing the normal persons typical of the stable type. At the negative extreme, there are people whose emotions are labile, strong and easily aroused, they are moody, touchy, anxious, restless and so forth, characterizing the unstable or the neurotic type (Eysenck and Rachman, 1965). In other words "neurotics over-react to a variety of stimuli; this overreaction takes the form of very strong emotions being experienced under conditions where most people only feel weak emotion, if any at all" (Bjorjje and Helode, 1973). Eysenck (1947) thus explains neuroticism in terms of badly organized personality
dependent, abnormal before illness, narrow interest, little energy, poor muscular tone, lack of personality integration, lack of adaptibility and lack of general drive. At the genotypic level Eysenck opined that differences between people in emotionality or neuroticism are mediated by inherited differences in the lability and the excitability of the autonomic nervous system. Some people are constitutionally predisposed to react more strongly, more lastingly and more quickly with their sympathetic nervous system towards incoming stimuli of various kinds whereas others are predisposed to react less strongly, less lastingly and less quickly with their autonomic nervous system to various stimuli impinging upon the sense organs. Eysenck (1952) suggested that the person whose autonomic nervous system (ANS) is highly reactive is likely to develop a neurotic disorder.

**Psychoticism**: The third dimension of personality is psychoticism. As is well known there are two main varieties of mental illness: the neuroses and the psychoses. The former comprise disorders where emotional upset plays a dominant part and include anxieties, depressions, obsessions, phobias, hysterical reactions and many more. The psychoses (which mean essentially schizophrenia in its various forms and manic depressive illness) tend to be more
serious in their consequences. They are characterized by inappropriate emotions, emotional flatness, thought disorders, and various other symptoms. There are certain personality traits common to all psychotics, and these can be discovered in "normal" people as well; just as there is a continuum from the most normal, unemotional person to the severest neurotic, so there is a continuum from the most normal person to the psychotic. It is this continuum which we designate "psychoticism" and which can be measured by questionnaire as can neuroticism/emotionality or extraversion. What are the people like who have high scores on this dimension. They are solitary and do not care for people. They are troublesome and do not fit in. They tend to be cruel and inhumane, and are characterized by lack of feeling and insensitivity. They are sensation seeking. They are hostile to others and aggressive. Psychotics like odd and unusual things, and have a disregard for danger. They like to make fools of other people, and to upset them they are foolhardy. Mentally and physically they tend to be slow to react; they do poorly on tests of reaction time and of vigilance. This is a brief description of some of the most characteristic traits of the high psychotic scorer (Eysenck, 1972).

This is a factor evolved by Eysenck (1971) through an analysis of criteria, which distinguishes three groups of
normals, schizophrenics and manic depressives Ss from each other (with scores increasing in that order). Psychoticism tests are, for instance, judgement of spatial distance, reading speed, level of proficiency in mirror drawing and adding rows of numbers. Eysenck's identification of the physiological basis of this third dimension, psychoticism (P), is even more speculative. He concludes first, from behaviour genetic studies of the heritability of psychoticism that this dimension has at least as strong a biological basis as the other two. Degree of psychoticism may be related to male sex hormones. He suggests that it is therefore, possible that male sex hormones provide some part; though not all - of the biological basis of psychoticism (in: Hall et al, 1989).

Intelligence: Intelligence denotes an "ability" i.e. a mental condition or a complex of conditions for specific performances or achievements. But the specific types of performance which require intelligence have not yet been unambiguously defined, except to the extent that the term covers cognitive problems. Ideas on the essential "inner" nature of this ability are even more divided. The definition of intelligence as the ability to overcome difficulties in new situations (proposed by E. Clapared and
W. Stern (in Eysenck, 1972) is most widely accepted today. Since animals too can adapt to new situations for which they have no instinctive solution (W. Kohler, 1925) intelligence test on anthropoid apes) the thought cannot be considered to be an essential criterion for the exercise of intelligence. There are close links between research into intelligence and the psychology of thought (processes) in as much as intelligence is considered as a prerequisite for individual variations in thinking. The aim of intelligence research is to use statistical comparisons to determine the conditions underlying various types of performance. The degree of similarity between the conditions for two types of performance is determined by correlative techniques. Spearman (1927) was the first to develop on this basis a method of analysing the relations between performances; his method of factor analysis has since then been used in almost all intelligence research. Spearman (1927) developed a two-factor theory, according to which all intellectual operations involved a single common factor (named as general factor or g), and a specific factor (named as S factor) for each performance. This general factor can therefore, be defined as "general intelligence" although Spearman interpreted it hypothetically as general mental energy. However, that there are certain common features between certain types of performance which are not dependent on 'g';
the "hierarchical theory" of intelligence was adopted by Spearman's school. Thurstone (1938) offered a new factor model. Thurstone defined seven primary factors (e.g. verbal comprehension, numerical, spatial reasoning, perceptual speed, verbal fluency and memory). Meili (1946) maintained that there are only a few fundamental intellectual factors, and four of them are defined (e.g. complexity, plasticity, globalization and fluency). These factors have been defined similarly by others. According to Meili (1946) at least the first three of these factors play a part in all "acts of the intelligence" even though they do not always significantly determine variance in performance. In general, intelligence is considered today as a characteristic aspect or dimension of personality. In the first instance, this simply implies that the personality is not completely characterized if intelligence is overlooked. The problem must be viewed on different levels: (a) significant correlations are seldom found between performance on intelligence tests and other personality characteristics determined by means of tests or questionnaires, on the other hand, it is known that test performance may be influenced by motivation, anxiety and certain other personality characteristics (b) there seem, to be correlations between personality types and forms of intelligence. Moreover, American psychologists have come to
speak of "cognitive styles" (Gardner, 1959). They are not concerned with the level of performance but with the qualitative characteristics of that performance. It seems fairly certain that certain factor constellations are associated with interests (Walti, 1970), and it can be assumed that fluency in solving certain types of problem, or ease of performance in some intellectual activities, may stimulate interest in them; and (c) on the factor level, factors obtained by the analysis of operations of intelligence cannot be definitely viewed as wholly intellectual: the possibility is that they are interactive products (Hursch, 1971).

It has been found that the development of intellectual performance as reflected in test results, may be modified by environmental influences as by affective and physical factors. The development of intelligence must, therefore, be considered to be only in small measure a simple process of "growth". It tends rather to be a highly complex process of alteration of the basic of performance. The influences of innate traits and environmental influences have still not be finally solved. The correlation for intelligence between identical twins is rather more than 0.90. But if two Ss grow up in different environments it falls to about 0.75. The correlation for non identical twins or brothers or sisters is
still lower .54 to .62 and if the children grow in different environments the correlation falls to 0.40 (Butcher, 1968). These figures suggest that the level of intelligence measured in adults is due to environment to an extent of one half or two thirds.

In the area of intelligence Eysenck (1973) has supported a hierarchical model like that assumed by his British predecessors. There are "primary factors" such as numerical ability, verbal ability, spatial ability, word fluency, rote memory and reasoning but these are correlated together to form a general factor of intelligence. More original to Eysenck (1973) is his detailed analysis of IQ performance. In this work, IQ test scores have been broken down into three aspects, which vary independently to some extent (1) the speed of mental functioning (2) accuracy presumed to be a function of an error-checking mechanism and (3) persistence: defined in terms of reluctance to give up on difficult problems. Standard IQ scores represent an extremely useful coalescence of these three components, despite the fact that in some populations they have been found to be completely uncorrelated. Some connections have also been found between these components of intellect and personality. Neurotics have lower values for the speed factor than stable Ss. Introverted neurotics were slower than
extraverted neurotics, but extraverted neurotics were less accurate than introverted neurotics. Persistence did not differentiate the personality groups nor did it play any part in the observed speed and accuracy differences between extraverts and introverts. Little is known about the relative heritability and modifiability of these three components, but it seems plausible that accuracy and persistence might be more open to influences of learning and motivation than speed (Wolman 1977).

Sex. It affects personality both directly and indirectly. Scheinfeld (1965) stated that the most important of all influences on behaviour is a person's sex. The direct effects of sex come from the sex hormones produced by the gonads. The sex hormones influence the growth rate of the individual, the body formation and functioning and the quality of behaviour. Males and females follow different patterns of development and these differences have profound influence on personality. Differences in behaviour are due in part at least to hormonal differences. The sharpest differences in behaviour as in appearance coincide with the time in life when the sex organs are functioning most actively and when the production of the appropriate hormone for the person's sex is greatest. The indirect effects of sex are in large responsible for the personality differences
roles in keeping with the differences. The prescribed sex role vary within a large cultural frame according to the cultural background and social status of the group members. Prescribed roles for members of the two sexes remained relatively static for many centuries. The role for the boys and men are regarded as more difficult and more dangerous than that for girls and women and therefore, more prestigious. The traditional roles are based on the assumption that males are physically stronger and mentally superior and should play dominant role. The traditional role for women is regarded as inferior. It is believed that women get satisfaction from achievement through identification with father, husband or male relatives, while the male gain satisfaction through his own achievements. The female role is thus other-oriented while the male role is self-oriented. There is no guarantee that a person will be willing to accept the approved sex role or play the role consistently. Some of the difficulties, the individual encounters in accepting and/or playing the approved role for this sex are personal and some are environmental. Mead (1968) opined that we have the paradox of having women educated like men and of according them all the rights of men, except one the right to dedicate themselves to any task other than homemaking. According to Kiell and Friedman (1957)"The rewards of housewife-manship are frustration and lowered self esteem. Plowed
under is the healthy self-concept before marriage." A willing whole hearted acceptance of one's socially approved sex role contributes to social acceptance and a favourable self evaluation. These lead to a good social adjustment, happiness, and mentally healthy personality.

Caste A foreign visitor to India is stuck by the phenomenon known as caste system. He may not understand the full working of the system, but he is aware of the fact that Hindu society is divided in the groups known as castes. The word "caste" comes from the Portugese word casta, signifying breed, race or kind: *homen de boa casta*, is "a man of good family". To define a caste is harder than to give the derivation of the term. Riseley (1915) defined it as "a collection of families or group of families bearing a common name, claiming a common descent from a mythical ancestor human or divine; professing to give an opinion as forming a single homogenous community". Castes were groups with a well developed life of their own, the membership where of, unlike that of voluntary associations and of classes, was determined not by selection but by birth. The status of a person depended not on his wealth as in the classes of modern Europe, but on the traditional importance of the caste in which, he had the luck of being born. Ketkar (1909)
defines caste as "a social group having two characteristics (i) membership is confined to those who are born of members, and included all person so born; and (ii) the members are forbidden by an inexorable social law to marry outside the group." Each one of these groups has a special name by which it is called, several of such small aggregates are grouped together under a common name, while these large groups are but subdivisions of groups still larger which have independent names. Some of the caste are as follows:

The Mahajan or Baniya rank below rajputs. Baniya is derived from a sanskrit word meaning a trader. They claim a supremacy over the rajput because of their vegetarianism, their abstinence from alcohol and economic success. Most of the Mahajans or Baniyas are traders, money lenders and land owners.

The largest category in our country is of farmers. Most of the sociologists have studied complex social processes, but only some of them have attempted to study Sindhi society and culture. Some of the British authors such as Jacob, Goldsmith, Bothene, Samore and Ramose have prepared Sindhi dictionary and Sindhi grammar and also published sindhi books from London, Germany Calcutta and Bombay. In 1961 "All India Sindhi literature conference" came in
existence these conferences are attended by 15 to 20 thousand people. This conference was conducted in three parts: educational literary and cultural (in Jaswani, 1985).

Those persons living in Punjab are popularly known as Punjabi. The population of Punjab, the land of five rivers, which has often proved the best of all recruiting grounds for the Indian Army falls generally into three groups: Hindu, Sikh and Muslims. Jats are most important elements in the population of Punjab. Jat is devoted to agriculture, his industry is unceasing and every member of his family shares the work in his fields. The sikhs of the Punjab started as a sect within the Hindu pale about the end of 15th century. Sikhs are fond of athletics and games, they make very good mechanics, and have fighting qualities. Two more important castes among punjabis are Khatri and Arora. Some of the Khatris are Muslims, then they are known as Khoja. Other castes in Punjab are Goujar, Mazhbi, and Chuhra.

Those living in Southern India are known as South Indians have following important caste. The Telgu caste of 'Kapu' which uses title 'Ready'. Nayars, a more or less military society in which the man tended to go off on fighting or marauding expeditions leaving their wives to live in their own maternal homes, a state of society familiar also
in Malaysia. Others among South Indians are Samrta Bramhin, Coorg, toda, vellal Shivalli, Bramhin, tamil Bramhin and Billana.

The people residing in Gujrat are commonly known as Gujratis. Among the trading castes, particularly in Gujrat, the northern part of the former Bombay province, Jains are well represented. Bohras, is a caste from Baroda state. Among the seafaring castes, the kharuas of Kachh, Kathiawar, Cambay etc. seem to be of Rajput extraction. They are hearty sailors, and besides manning the country craft that ply up and down the west coast of India, to Aden and Zanibar, and as far east as Singapore, they are familiar as lascars in the liners running between Bombay and Europe.

Entrepreneur and/or Business owners:

There are some unresolved differences in the definitions of entrepreneurship, but there is agreement that the term includes at least a part of administrative function of making decisions for the conduct of some type of organization. One group of scholars would restrict the term to strategic or innovating decision, and an overlapping group would apply it only to business organizations. The basis for these differences can be understood from the history of the
concept. The word entrepreneur appeared in the French language long before there was any general concept of an entrepreneurial function. By the early 16th century, men engaged in leading military expeditions were referred to as entrepreneurs. From this usage, it was easy to move to applying entrepreneur to other types of adventurers. In the mid 18th century French writer Bernard F. De Belidor further defined it as buying labor and materials at uncertain prices and selling the resultant product at contracted price (in Hoselitz, 1951, pp 198-199) Rechard Cantillon (1755) saw the entrepreneur as anyone who bought and sold at uncertain prices. Obviously, there is no contradiction between Belidor and Cantillon in theory, but merely in the type of examples chosen. Except for princes, landowners, and salaried workers, Cantillon (1755) regarded everyone engaged in economic activity as an entrepreneur. The physiocratic economists of later eighteenth century, such as Francois Quesnay and Nicolas Baudeau (in Stills, 1968) called the agricultural cultivator an entrepreneur. Since the physiocrats also thought that only the land was a source of social product, this put the entrepreneur in a key position. In the sphere of agriculture, Baudeau credited the entrepreneur with all the essential characteristics of risk-taking and innovation. By 1800, many French economist had given special meanings to entrepreneur and entrepreneurship.
Those economists interested in government saw the entrepreneur as a contractor, the specialist on agriculture as a farmer, and the proponent of industry as a risk taking capitalist.

In the catechism of political economy, Jean Baptiste (1815) wrote of the entrepreneur as the agent who "unites all means of products, the re-establishment of the entire capital he employes and the value of the wages the interest and the rent which he pays as well as the profits, belonging to himself". This idea appeared earlier in "A treatise on Political Economy (1803)" which was not translated into English until 1827, Say (1815) stated that entrepreneur commonly, but not necessarily, supplies either his own or borrowed capital. "To succeed, he must have "judgement perseverance, and a knowledge of the world as well as of business. He must possess the art of superintendence and administration" (pp 295 in the 1827 edition). Say (1803) did not however discuss the entrepreneur in relation to innovation or capital creation.

In contrast to the tolerably consistent and expanding French definitions of entrepreneur, the English definitions appear to have made rather less use of three terms: adventurer, undertaker and projector. While the Merchant
Adventurers of the 16th century were the equivalent of French entrepreneurs; adventurer did not come into general use. In the 17th century French use of entrepreneur for government contractor had its English counterpart in the term undertaker. Near the close of the century, the third term projector, came into use. The term projector equated with inventor, but also with fraud or swindler. The words adventurer and undertaker are referred in Malachy Postlethwayt's universal Dictionary of Trade and Commerce but these terms are not given precise definitions (in Redlich, 1949 p. 9). Bert F. Hoselitz (1951) found that by the time of Postlethwayt, undertaker could be applied to businessmen in general but that the term was in fact, becoming obsolete.

As economic theory became more carefully formulated in all the west European nations, no operative place was found for the entrepreneur. The difficulty was that English theory was based upon a normal state of equilibrium established by the multiple reactions of businessmen, consumers, investors and workers to the prices of goods and services. Individual variations in behaviour were seen either as cancelled out in the aggregate or suppressed by competition. In this highly aggregative system, any unknown element was to be derived from the relations of theoretically measurable quantities. Such a system could obviously not utilize unmeasurable social
or cultural factors such as entrepreneurship. To say that entrepreneur was rewarded for risk taking, that is, for uncertainty was the negation of a proper theoretical explanation.

Francis A. Walker emphasized the distinction between capitalists and entrepreneurs and called the latter the engineers of industrial progress and chief agents of production (in Dorfman, 1946-1959). Frederick B. Hawley (1882), saw risk taking as the distinguishing attribute of the entrepreneur, and ranked this as a factor in production on a par with land, labour and capital. The unorthodox John R. Commons (in Stills, 1968) gave an explanation of risk taking entrepreneurship. John Bates Clark (1912) was first to connect "entrepreneurial profits considered as a surplus over interest (and rent), with successful introduction into the economic process of technological, commercial, or organizational improvements". The basic problem of finding an operative role for entrepreneurship in economic theory, however, remained unsolved; and economic theorists, in general, well aware of the incongruity of a non-measurable human element in a theoretical structure based on quantifiable assumptions, moved in other directions such as, the study of business cycles: income, saving and investment.
According to Schumpeterian view innovation was the criterion of entrepreneurship i.e. doing of new things or the doing of things that are already being done in a new way (innovation). The "new way" is a "creative response" to a situation that had, at least, three essential characteristics: first, it can practically never be understood; second creative response shapes the whole course of subsequent events and their "longrun" outcome and third, creative response has something to do (a) with the quality of personnel available is the society, (b) with quality available to a particular field of activity, and (c) with individual decisions, actions and patterns of behaviour. Accordingly a study of creative response in a business becomes coterminous with a study of entrepreneurship (Schumpeter, 1947). To Schumpeter a manager was an entrepreneur only while he was making a creative or innovative response. Arthur H. Cole (1944) equated entrepreneurship with the continuing general activities of managers. It is "the purposeful activity (including an integrated sequence of divisions) of an individual or group of associated individuals, undertaken to initiate, maintain or aggrandize a profit oriented business unit for the production or distribution of economic goods and services" (Cole, 1959). Novelty is successful in the business world if the introducing it is being effectively maintained.
Enrepreneurial study continues, however, in the unoccupied territory bordered by Economics, History and Sociology. Students of entrepreneurship generally have come to agree that while it is a definable function, entrepreneur is a term denoting an ideal type rather than a term continuously applicable to a real person. Any businessmen or other official may exercise entrepreneurship but a classification cannot be devised that would empirically separate entrepreneurs and nonentrepreneurs. One group of scholars has expanded Cole's point of view that entrepreneurship is a continuous function in business organization.

To the extent that behaviour in a business firm is organized (formally or informally), to the extent that it is disorganized, random or self-defeating, to that extent entrepreneurship is lacking. The characteristics conventionally associated with entrepreneurship are leadership, innovation, risk bearing, and so on, so associated precisely because, in highly commercialized culture, such as ours, they are essential features of effective business organization. By the same logic, in a differently oriented culture, the typical characteristics of entrepreneurship differ (Aitken, 1963).
Another school of thought prefers to keep the Schumpeterian distinction between the entrepreneurial functions of decision making strategically important or innovating decision and the managerial function of maintaining the more routine operations of a business organization. Nonspecialists, also, tend to emphasize strategic decision making in distinguishing entrepreneurship from management.

Size of the Industry

The industry is considered as small scale when it has investment of 60 lacs. If the unit is ancillary then the small scale industry will be of 75 lacs. Ancillary unit is possible only in small scale industries. If the industry has investment of 60 lacs to 3 crore then it is considered as medium scale. Large scale industry has above 3 crore investment.

Importance of small industries as an effective instrument of creating employment opportunities has been realised the world over and we find that this has led various states of Europe, Asia, Africa and Latin America to concentrate on this vital sector by provision of a coherent and inspiring policy framework. Heavy industries alone
cannot provide enough employment potential for the population of the country, and hence a shift in priority to greater emphasis on small scale units becomes a natural and logical corollary. The best example is provided by Bihar, which suffers from acute unemployment and low standard of living inspite of existence of a large number of heavy industries.

Small scale industries have been defined in many ways at different times. The Industries (Development and Regulation) Act, 1951 amended in 1953 and 1957 adopted the criteria of the number of workers employed as 50 when using power and 100 when not using power in demarcating large scale industrial units from small (Mohanty, 1986). Karve (1955) committee in its report also emphasized employment aspect in defining small scale industries as units, which have a capital investment of less than 60 lacs of rupees and employ less than 50 persons when using power and employ less than 100 person when not using power then 100 person when not using power. The present official definition, which has undergone much changes over the years is that a small industry is a firm with up to 60 lacs rupees in fixed capital at original cost regardless of employment, if it is an ancillary unit is is still small up to 75 lacs rupees of capital (Mohanty, 1986). The definition excluded reference to number of employees on the sensible ground that since one of the major
objectives of small industries programme is to encourage employment, restriction should not be placed on the volume of employment generated by small industries. The change in definition also reflects Indian preoccupation with the problem of scarcity of capital, the most pressing hurdle that the economy is faced with.

In order to fully appreciate the importance of small scale industries, some few points need to be mentioned. In all the countries of the world, developed or undeveloped small scale industries account for a considerable portion of the gross national product and about 50 percent of the employment. In countries like Japan and Singapore, and the fast developing areas in Latin America, the figures are as high as 80 percent. In India according to the National Income Committee, the small scale industries are providing employment to 40 million people. The small scale sectors offer employment three times bigger than large scale industries, with the same stock of fixed capital as large scale industries. The modern small scale industries can also spread in rural areas and with the employment potentiality inherent in them, seem to be ideally suitable for the Indian economy. Annual survey of industries pertaining to the factory sector alone, conducted in Orissa from time to time, reveals that such industries require less capital for
employing one person than the large industries. No systematic study has, however, been conducted yet in the state to bring out clearly the extent and nature of employment generated by the small scale industries and the capital requirement for the employment generated by them. Large scale industries involve huge investment in plants and equipments and require building up of sophisticated base. The prevalent economic infra-structure does not permit the establishment of too many large industrial units. Small industries on the other hand, can be started with much less capital and are suitable for the economy in view of the problem of capital shortage. They lead to considerable saving in investment in social and economic overheads which can be spared for other more pressing and directly productive channels of investment. Moreover, the plants and equipments used by these industries have negligible import content which exercise a relieving influence on the foreign exchange front, allowing its smoother flow towards top priority projects where it is so badly required.

Finance is the life blood of industries. Very often growth and smooth operation of an industry are hampered by lack of finance. The financial needs of small industries are limited and can easily be tapped. One outstanding feature of small scale industries is the personal character
of its organization, management and ownership in contrast to the predominantly impersonal management of large scale organisation. There is an age old belief that due to small size the cost production, including both variable and overhead, per unit of product is higher in small industries than that of large scale industries. Due to absence of superior technology in the small sector coupled with maximum manual operation, the cost of production is presumed to be unusually high. In respect of the concept of size it has been proved beyond doubt by several specific surveys conducted abroad that there is not much justification in the claim that small firms lack economic dimension to meet the challenges of growth and that such units can not survive in the years ahead.

Marketing has became a permanent problem for the small scale industries, and the state Government is making all out efforts to get over this impediment. Market for the modern small industries products is conceptually not confined to a particular area or organization but is spread over the country and outside. In actual practice small industries, however, depend on Government for disposal of their output as demand from private sector is very small. They rely greatly on local resources in the shape of raw materials, manpower, infrastructure and policy framework of the state. Large
industries have specialists in different branches, dynamic organizations to deal with multifarious management problems and great marketing wings managed by specialists. In small scale industries due to poor management skill and difficulty in handling of tricky problems, economies are not realised.

Small scale industries are capable of making substantial contributions to development. They stimulate the growth of indigenous entrepreneurship in the state, contributing to the growth of an active middle class. They help industrial dispersal through the greater locational flexibility, encouraging development around special local resource advantages, appropriately meeting tiny market islands. The small scale industries serve as a check on migration to large cities and provide avenues of work in close proximity to places of residence. The list of benefits is comprehensive.

Coping Strategies: Individual and organizations cannot remain in a continuous state of tension. Even if a deliberate and conscious strategy is not adopted to deal with stress, some strategy is adopted: for example, to leave the conflicts and stress to take care of themselves. This is also a strategy, although the individual or the organization may not be aware of this. This is called avoidance coping strategy.
The word coping has been used to denote the way of dealing with stress, or the effort to 'master' conditions of harm, threat or challenge when a routine or automatic response is not readily available (Lazarus, 1974).

Two different approaches to the study of coping have been pursued by various investigators. On the one hand, some researchers (e.g. Burne, 1964, Goldstein, 1973) have emphasized general coping traits, styles of dispositions, while on the other some investigators (e.g. Cohen and Lazarus, 1973; Katz, Weiner, Gallagher and Hellman, 1970; Wolf and Goodell, 1968) have preferred to study the active ongoing strategies in a particular stress situation. Coping traits refer to a disposition to respond in a specific way in situations that are stressful. Coping traits are thus stable characteristics of persons that transcend classes of situation. Coping style implies a broader, more encompassing disposition. A person's coping style is assessed by personality tests, not by actual observation of what the person says or does in a particular stress situation. Psychologists have identified two major ways in which people cope with stress. In the first approach a person may decide to suffer or deny the experienced stress, this is the passive approach or a person may decide to face the realities of experienced stress and clarify the problem through
negotiations with other members. This is the active approach. Coping can have an effect on three kinds of outcome: psychological, social and physiological. From a psychological perspective coping can have an effect on the psychological morale (that is, the way one feels about oneself and one's life), emotional reaction (e.g. level of depression or anxiety, or the balance between positive trend and negative toned feeling, Bradburn, 1969), the incidence of psychiatric disorders and even performance. From a social perspective, one can measure its impact on functioning effectiveness, such as employability community involvement and socioability (Renne, 1974), the effectiveness of interpersonal relationship, on the degree to which useful social roles are filled (and acting out anti-social behaviour etc. are avoided). From a physiological perspective, outcome includes short term consequences, such as the development and progression of a particular disease.

Coping refers to efforts to master conditions that tax or exceed adaptive resources (Monat and Lazarus, 1977). Lazarus (1974 b) has emphasized the key role of cognitive processes in coping activity and the importance of coping in determining the quality and intensity of emotional reactions to stress.
Although there are many ways to classify coping responses (Moos and Billings 1982), most approaches distinguish between strategies that are active in nature and oriented toward confronting the problem, and strategies that entail an effort to reduce tension by avoiding or dealing with problem. Pareenk (1983 b) has proposed two types of coping strategies and provided. Validity evidence of three measures of coping behaviour related to job stress: control, escape and symptom management. Pareek (1983) has developed Role PICS (Projective Instrument for Measuring Coping styles). Gupta and Murthy (1984) studied role conflict and coping strategies among Indian women. The most popular coping strategy was personal role re-definition. This strategy was significantly associated with low role conflict and high satisfaction with coping. Reactive role behaviour methods, on the other hand, were associated with high role conflict and low satisfaction with coping. The data also indicated that "Adjustment" and compromise were the most commonly used and successful methods of coping. Ahmad, Bhatt and Ahmad (1990) studied stress and coping strategies among executive technocrats and collected data to examine whether there is any difference in the coping styles of male and female technocrats on Role PICS. The executive technocrates used intropersistive style as the dominant style for coping followed by defensive and extrapersistive styles.
While men used a defensive style more often than women, females largely used an approach style for coping. It was also found that none of the demographic variables such as age, number of dependents, income, drinking and smoking habits, health of the individual, had a significant bearing on the strategies which people generally use in order to handle stress, (i.e. dysfunctional and functional coping styles). Lazarus (1975) has suggested a classification of coping processes which emphasises two major categories, namely, direct actions and palliative modes. Direct actions include behaviour or actions which when performed by the organism in the face of a stressful situation is expected to bring about a change in stress causing environment. The palliative mode of coping refers to those thoughts or actions whose purpose is to relieve the organism of any emotional impact of stress. Coping may either take the form of avoiding the situation, (reactive strategy), i.e. dysfunctional style, or confronting or approaching the problem (proactive strategy), i.e. functional style. Combining the two aspects of each of the three dimensions yields eight possible strategies to cope with stress. The dysfunctional styles are Impunitive (M), Intropunitive (I), Extrapunitive (E) and Defensive (D). The four functional styles are Impersistive (M), Intropersistive (I), Extrapersistive (E) and Interpersistive (N). Thus broadly speaking there are two coping strategies: avoidance and approach.
For researchers studying how people cope with job stress, a major concern is the development of coping measures. Latack (1986) presented a construct used for coping with stress. Kaur and Murthy (1986) found that coping strategies of managerial personnel at different organizational level are different. Junior levels used avoidance strategies and senior levels used approach strategies. The defensive style was used by junior management, impunitive by middle management, and intropersstive by top management. The studies revealed that the avoidance coping strategy enhanced mental health, whereas the approach coping strategy attenuated the severity of mental health. Some studies of coping strategies were also conducted on students. Caplan, Naidu and Tripathi (1984) examined how patterns of coping defesne as well as their main effects influence well being. Students appraised the academic stressor as more controllable and challenging and the personal stressor as more uncontrollable and challenging. Students who perceived both situations as controllable reported the use of self blame coping strategies, while the appraisal of stress as uncontrollable was related to emotion focused forms of coping. Both stressors viewed as threatening were related to forms of coping such as escape, avoidance, external attributions of blame and risk taking. Gender differences were observed in relation to distress and
coping styles, but not in relation to appraisal. The coping strategies used by the poorly adjusted group were escape, avoidance, external attributions of blame and wish fulfilling.

As a matter of fact, any type of human behaviour is the result of interaction between person and his environment. Accepting this line of thinking and sharing the views of Coleman (1971), it can be said that any person while indulging in stress reducing mechanisms behaves as a whole. However, whether he shall be preferring to go for one type of coping mechanism or the other depends upon his psychophysical system or personality make-up and situational frame. Eysenck (1947, 1952, 1973) attempted to provide the biologically based personality make-up of an individual in terms of four dimensions viz, extraversion (E), neuroticism (N), psychoticism (P) and Intelligence (I). And Coleman (1971) while reflecting upon the numerous stress coping mechanisms attempted to classify them under three broad categories namely: (1) task-oriented (2) Defense-oriented and (3) Ailment-oriented reactions.

Task oriented reactions are aimed at realistically meeting the demands of stress situation and undertaken by an individual who has confidence in his ability to solve his
problem tend to be based on an objective appraisal of the stress situation and on a conscious, rational and constructive course of action. Among the task-oriented reactions are attack, withdrawl and compromise reactions. Task-oriented attack reactions have following characteristics: (1) focusing of coping resources on the problem, (2) inhibition and suppression of disruptive emotion, (3) flexibility in mode of attack, (4) development of new resources and competencies and (5) an affiliation for group action. Characteristics which commonly underlie the diversity of task oriented withdrawl reactions are: (1) admitting defeat, (2) leaving the field and (3) establishment of a new direction. Common characteristics of task oriented compromise reactions are: (i) accepting substitute goal, (ii) accepting substitute means, (iii) assuring minimum essentials and (iv) taking time to deliberate.

In defense-oriented reactions individual concentrates on choosing actions aimed chiefly at lessening or avoiding self-devaluation or emotional hurt and alleviating his anxiety. Three types of defense-oriented reactions may be distinguished. The first consists of "wired in" reparative mechanisms such as crying, talking it, laughing it off, thinking it through and leaving on others. The second i.e. ego defense mechanisms protect the self from both external
threats and internal threats, they are denial of reality, repression, regression, escapism, fantasy, rationalization, reaction formation, identification, introjection, emotional insulation, intellectualization, compensation, displacement, undoing and acting out. Third type is use of drugs to alleviate tension and anxiety. All three are directed towards maintaining psychological equilibrium and integration.

If stress proves excessive and cannot be escaped, there is lowered integration and eventually breakdown of the system. Concerned chiefly with physiological breakdown and psychological decompensation this reaction is ailment-oriented reaction (Coleman, 1969).

2.3 Hypotheses: Their formulation:

Keeping in mind the key features of the dependent and independent variables involved in the present study, the following premises have been framed so that the hypotheses of the present investigation can be formulated in an hypothetico-deductive fashion:

PREMISES

(a) When a person feels incompetent to handle a stress
situation he unknowingly seeks rescue through developing some sort of physiological and/or psychological illness, this type of reaction is known as ailment-oriented (AO).

(b) When a person feels competent to handle a stress situation his behaviours tends to be task-oriented (TO).

(c) When feelings of adequacy of a person are seriously threatened by the adjustive demand, his reaction tend to be defence-oriented aimed primarily at protecting the self from hurt and disorganization (DO).

(d) Extraverts are the individuals in whom excitatory potentials are generated slowly and are relatively weak that in introverts, extraverts have lower level of cortical stimulation than introverts.

(e) Neurotics are assumed to have low thresholds of activation of visceral brain. A person whose autonomic nervous system (ANS) is highly reactive is likely given the right environmental conditions to develop a neurotic disorders.

(f) Psychoticism dimension has a physiological basis in that the predominance of male sex hormones enhances the reactivity of the ANS but lowers down the levels of cortical excitation and thereby increases the likelihood of developing disorders of the second kind (antisocial behaviour).
(g) Intelligence denotes a general mental ability that sets an individual to adjust effectively and achieve the desired goal in an effective way.

(h) Sex is a biological phenomenon getting feminine and masculine manifestations during puberty and sociocultural differentiation in the process of socialization.

(i) Caste is collection of families or groups of families having a typical or stereotype behavioural and sociocultural heritage of living.

(j) Business history denotes about the ancestral history or family tradition in doing some business from generation to generation.

(k) Those industries are defined as small scale industries having investment of 60 lacs and below large scale industries have investment of more than 3 crores per annum.

Hypotheses:

(l) Using premises (a), (b), (c) and (d) stated above, it has been hypothesized that extraverts will show preference to task-oriented > to defense-oriented > to ailment-oriented coping devices as compared to introverts.
(2) On the basis of premises (a), (b), (c) and (e) stated above, it has been hypothesized that high N scorers will show preference to ailment-oriented > to defense-oriented > to task-oriented devices than the low N scorers.

(3) On the basis of the premises (a), (b), (c) and (f) given above it has been hypothesized that the high P scorers will show preference to defense-oriented > to task-oriented > to ailment-oriented devices as compared to low P scorers.

(4) Using premises (a), (b), (c) and (g) as the base it has been hypothesized that the persons with high intelligence will show preference to task-oriented > to defense-oriented > to ailment-oriented devices as compared to persons with low intelligence.

(5) On the strength of premises (a), (b), (c) and (h) it has been hypothesized that female entrepreneurs/business owners will show preference to defense-oriented > to task-oriented > to ailment-oriented mechanisms; whereas male entrepreneurs/business owners will show preference to task-oriented > to ailment-oriented > to defense-oriented devices.

(6) Using premises (a), (b), (c) and (i) it has been hypothesized that Vaishyas or Baniyas will make use of
task-oriented > defense-oriented > ailment-oriented reactions.

(7) Using premises (a), (b), (c) and (i), it has been hypothesized that Gujratis will make use of ailment-oriented > task-oriented > defense-oriented devices.

(8) Using premises (a), (b), (c) and (i) it has been hypothesized that Sindhis will show preference to defense-oriented > to task-oriented > to ailment-oriented devices.

(9) Using premises (a), (b), (c) and (i) it has been hypothesized that Punjabis will show preference to task-oriented > to defense-oriented > to ailment-oriented.

(10) Using premises (a), (b), (c) and (i) it has been hypothesized that South Indians will show preference to task-oriented > to ailment-oriented > to defense-oriented devices.

(11) Using premises (a), (b), (c) and (i) it has been hypothesized that unclassified persons on the basis of caste called "others" will show preference to task-oriented > to defense-oriented > to ailment-oriented devices.
(12) Using premises (a), (b), (c) and (j) it has been hypothesized that entrepreneurs/business owners of no business history will show preference to ailment oriented > to defense oriented > to task oriented mechanisms.

(13) Using premises (a), (b), (c) and (j) it has been hypothesized that persons with business history will show preference to task-oriented > to defense-oriented > to ailment-oriented reactions under stressful conditions.

(14) Using premises (a), (b), (c) and (k) it has been hypothesized that persons of small scale industries will show preference to defense oriented > to task-oriented > to ailment oriented devices.

(15) Using premises (a), (b), (c), and (k) it has been hypothesized that persons of medium and large scale industries will show preference to task-oriented > to defense-oriented > to ailment oriented > to ailment oriented devices.