CHAPTER II

ENTREPRENEUR AND ENTREPRENEURSHIP - A REVIEW

This chapter contains two sections. In the first section, a brief concept of entrepreneur and entrepreneurship is presented. Indian studies are discussed in the second section.

(A) Concept of Entrepreneur and Entrepreneurship

OXFORD English Dictionary (1897) defined entrepreneur as the director or manager of a public musical institution, one who "gets up" entertainments, especially musical performance. Not until its supplement appeared in 1933 did the dictionary recognise that the word had a place in business, and would mean "one who undertakes an enterprise especially a contractor... acting as intermediary between Capital and Labour". The concise Oxford Dictionary defines entrepreneurship as "readiness, initiative and daring for an undertaking".

The concept of entrepreneurship in the study of economic development first appeared in the 18th Century. Since then economists, psychologists, sociologists, social psychologists, anthropologists and historians have been
attempting to analyse entrepreneurship, but no consensus has so far emerged. The concept still remains controversial and vague. The scholars have varying opinions regarding what qualities and abilities a person should possess to become an entrepreneur, what his main functions are, what roles he plays in economic development, how an entrepreneurial class can be developed and so on.

William Boumol (1968) observed that the subject of entrepreneurship is conceptually elusive and the term has not always had a clear theoretical contents.

Academics have provided a plethora of definitions of the term entrepreneur which bring about the different aspects of his economic functions and reflect the state of business enterprise of the times in which each of these was formulated. Some thought of entrepreneurs primarily as innovators, others thought of them as bearers of risk and others again placed major emphasis on their functions as mobilisers and allocators of capital. These definitions can be grouped into following broad categories:

Classical Views

The term entrepreneur was first coined by Cantillon, a French Banker, in the mid of 18th Century. He defined an entrepreneur as the agent who buys means of production at certain prices in order to combine them into a product which
he is going to sell at prices that are uncertain. According to Cantillon, the function of an entrepreneur is to work in an uncertain atmosphere. He observed entrepreneur as a king of person who is engaged in production activities and makes certain payments to the owners of production, factors in expectation of uncertain receipts. His entrepreneur was mainly an uncertain-bearer. Cantillon's view was criticised on the ground that he emphasised much on the element of risk and uncertainty and did not include many other aspects of entrepreneurship in his perception.

Frank Knight defined entrepreneurship on similar lines. He described entrepreneur as a person who takes decisions under the conditions of 'risk' and 'uncertainty'. He meets those risks which are incalculable. Knight made a distinction between ordinary risk and uncertainty. He meets those risks which are incalculable. Knight made a distinction between ordinary risk and uncertainty. A risk which can be covered through insurance is an ordinary risk. On the other hand, uncertainty is the risk which cannot be evaluated, nor insured. In the words of Prof. Knight, entrepreneur is the economic functionary, who undertakes such responsibility as by its very nature cannot be insured, nor capitalised, nor salaried, he also guarantees specified sums to others in return for assignments made to them.
Entrepreneurship appears in the writings of Adam Smith also but not explicitly. For him, an entrepreneur is the undertaker, the master or the merchant. To Smith, accumulation of capital was the essential function of the undertaker, the master, or the merchant. He accumulates capital and with this capital acquires command over land, and then hires labour to work on hand. By initiating this round about process of production he takes risk. But beyond this, all he does is to supervise and manage his concern in a way to yield the maximum gain to himself. Here, we get into the difficulty of distinguishing the entrepreneur from the affluent capitalist or the efficient Manager.

J.B. Say identified entrepreneur as an 'organiser'. He was first, who focussed on this very aspect of entrepreneurship. He drew a clear-cut distinction between the 'entrepreneur' and the 'capitalist'. According to him, "the entrepreneur is an economic agent who unites all means of production... the labour force of the one, the capital or the land of the other and who finds in the value of products, which result from their employment, reconstitution of the entire capital that he utilises and th value of the wages, the interest and the rent which he pays as well as profits belonging to himself".

Thus, J.B. Say's entrepreneur combines various factors of production and produces a socially valuable product. He
emphasized that the role of a capitalist is to finance the enterprise whereas an entrepreneur is an organiser and speculator of a business enterprise. Say puts the entrepreneur into the centre of both the productive and distributive theory which first adumbrated the analytical structure that became fully articulate in the hands of Walras, Marshall, Wicksell, Clark and Austrians.

J.S. Mill was influenced by the thoughts of J.B. Say. In the analysis of the entrepreneurial functions he laid such emphasis on "Superintendence", 'control, and 'direction'. An entrepreneur, according to him, should possess 'no ordinary skill, to discharge these functions efficiently. But his definition simply defines the functions of management and administration and his entrepreneur is merely a manager. A reason why he did not use this term was possibly that managers are frequently salaried employees and they do not necessarily share in business risks, whereas J.S. Mill, like many other authors of that period, wished to make risk-bearing an important entrepreneurial function along side of "direction".

From the above definitions, it is obvious that classical economists did not include entrepreneurship explicitly in the economic system. They did not even use the term entrepreneur while formulating economic theories but described him and his function by proxy. They were, of
course, aware of the role of entrepreneurship in the economic development, but did not make it a strategic part of the system, and did not make the fundamental distinction between entrepreneurship and management.

Neo-Classical Views

Entrepreneurial thoughts of this category developed largely on the lines of the older generation. However, a distinction between entrepreneur and capitalist was facilitated clearly during this period. Changing methods of business finance produced an increasing number of business finance produced an increasing number of instances in which capitalists were not entrepreneurs and entrepreneurs were not capitalists. Of course, in some cases, both the capitalists and entrepreneurs were carrying out the same functions.

Walras defined entrepreneur as an agent who buys raw materials from other entrepreneurs, hires land from land owners, personal aptitudes from workmen, capital goods from capitalists and sells the products that results from this cooperation or combination of these services for his account. An analysis of his viewpoint reveals that he recognised entrepreneur as an organiser who combines all factors of production for the fulfilment of productive process and ignored one of the most important aspects of
entrepreneurship, i.e., risk bearing and working in uncertain atmosphere; without which it is not possible to make any significant break though in the course of time.
The entrepreneur is a dynamic person with atavistic will.
He endeavours to deviate and brings about revolutionary change in economic system.

Marshall, A. (1961) defined entrepreneurship in a comprehensive manner and assigned risk bearing and management as the main functions of the entrepreneur. According to him, "entrepreneur is an individual who 'adventures' or 'undertakes' risks, who brings together the capital and the labour required for the work; who arranges or engineers its general plan, and who superintends its minor details.

Marshall was criticised on the ground that this concept of entrepreneurship was that of a small firm where entrepreneur was an individual person while in a very big enterprise, entrepreneur along with others govern the enterprise who are not only risk takers or managers but also promoters and innovators. In modern business, an entrepreneur may be an organisation of people, trust, company or even the Government. In many countries, including India, the Government is also playing a considerable role in the promotion of business and industries.
All the economists right from Cantillon to Marshall visualised entrepreneurship in the context of stationary situation. It was Joseph Schumpeter (1959) who analysed the theory of entrepreneurship from a new perspective. According to him, development is the burst of economic activities. When the stationary equilibrium is disturbed, development takes place. This change or disturbance comes forth in the form of 'innovation'. For Schumpeter, the entrepreneur is a 'innovation' who is characterised by potentialities of doing new things or doing things in a new way. He is an economic leader with atavistic will to power and sets a 'creative response' to a situation and acts as a chief conducive factor in the process of economic development. He further writes that the entrepreneur is an economic man who tries to maximise his profits by innovations. Innovations involve problem solving and entrepreneur is a problem solver.

Innovations according to him, occur in the following five forms:

1. The introduction of new good— that is, one with which consumers are not yet familiar or of a new quality of goods.

2. The introduction of a new method of production—that is, one which is not yet tested by experience in the branch
of manufacturing concerned, which need by no means be founded upon a discovery scientifically new and can also exist in a new way of handling a commodity commercially.

3. The finding of a new market, a market into which the particular branch of manufacture of the country in question has not previously entered, whether or not this market has existed before.

4. The conquest of a new source of supply of raw materials or half manufactured goods, irrespective of whether this source already exists or whether it has first to be created.

5. The carrying out of the new organisation of any industry, like the creation of a monopoly position or the breaking up of a monopoly position.

Thus, according to Schumpeter, entrepreneur is a person who foresees the opportunity and tries to exploit by introducing a new product, a new method of production, a new market, a new source of raw materials or a new combination of factors of production. He need not be a capitalist, nor manager. In Schumpeter's words, entrepreneurship is a leadership rather than an ownership.

Schumpeter marks a distinction between invention and innovation. He says that inventions and discoveries by
themselves have little economic effects. They could yield fruitful results only when some with special talent foresees their economic potentiality and brings them into implementation. An inventor thus produces the ideas and the entrepreneur implements them in the production process.

Schumeter's concept of entrepreneurship carries broad as well as narrow meanings. It is broad in the sense that entrepreneurs are not only those 'independent' businessmen, but all those who are 'dependent' employees in a company, like managers, directors and others as they may also bring about changes in the production function and carry our new combinations. On the other hand, it is narrow in so far as it does not include all needs of firms or managers or all industrialists and employees who operate an established business. It refers only to those who actually perform innovative functions. In Schumpeter's system, entrepreneurship being a 'creative activity', is not generally found in the ordinary course of business. It is essentially a phenomenon that comes under the wider aspect of leadership.

Schumpeter expressed his views originally in 1912, at a time when most entrepreneurial performance was in the hands of private individuals acting on their own account and when governmental and private bureaucracies still played a subordinate and limited role in the running of economically
significant enterprises. Since, the time, Schumpeter expressed his views, there have been remarkable changes in the industrial sphere of the world. In the industrially developed countries, the big corporations and other highly structured business enterprises have emerged to perform the main entrepreneurial functions. Likewise, public officials working in government enterprises of government controlled corporations, have begun to carry these functions in the socialist countries and in many important branches of production in the developing countries.

Hence the individual, "irrational", visionary entrepreneur whom Schumpeter saw as the main carrier of economic progress has been replaced by a private or public "business leader", whose action is based largely on known and predictable principles, whose risk-taking has been greatly reduced and whose activities are supported by a large corporate or government bureaucracy among which many functions have been thoroughly scrutinised so as to make the performance of the typical entrepreneurial function stipulated by Schumpeter either impossible or superfluous.

Ashis Chaudhary (1975) suggests that Schumpeter's conception of entrepreneurship must be modified in the light of concrete developments in the last few decades, especially in the less advanced countries of Asia and Africa. Scarcely, any of the business leaders in these countries are
innovators in Schumpeter's sense and none of them are visionaries who strike out for previously unexplored territory. All of them are imitators, adapters of experiences gained in the economically more advanced countries to the conditions of their own. The technology they apply is usually borrowed from abroad, the legal and marketing practices they employ are adaptations of those developed in the more advanced countries, and often the commodities they produce and sell are selected because of the operation of the "demonstration effect" through which consumption of the more advanced countries become popularised and enter general demand in developing nations.

Many other economists also criticised Schumpeter on the ground that entrepreneurship in Schumpeterian sense causes complete transformation of the economy but practically, this can be applied only to the developed countries and in very big industries where the entrepreneurs are of very high level and are ready to undertake the major process of development in an efficient manner. James J. Berna (1960) has aptly mentioned that "economy shaking innovators are the exceptional few, who emerge at the summit of broadly based pyramid. Such men do not appear, and could not function, until a certain level of educational, social and technical progress has been achieved".
In brief, developing countries cannot afford the 'Schumpeterian entrepreneurs' whose scale of operation is not very large. Entrepreneurs of such countries cannot start their ventures on a big scale from the very beginning. Apart from it, innovations themselves involved a huge amount of money and take a long time in their implementation. Developing Countries, therefore, need a large number of 'imitating entrepreneurs' who can successfully import the innovations made in developed countries and implement them economically in their enterprises after making necessary adjustments therein.

Hoselitz (1980) also remarked that in an underdeveloped economy, imitator-entrepreneurs had more significant role to play than the Schumpeterian innovators. They provide, he feels, a fillip to the process of economic growth, sometimes having as strong or perhaps even stronger an impact on economic growth as real or alleged innovations. Even the multiplicity of entrepreneurs, lacking in creative genius of inventors, but possessing all other characteristics of successful entrepreneurs, is desirable for under-developed economics.

Modern View

The various definitions of entrepreneur in past came from the academicians of developed nations and at a time,
when the problems of the Third World had not received so much attention. These definitions were formulated keeping in view the entrepreneurs of developed countries whose scale of operations was large and who were expected to perform only limited entrepreneurial tasks. The theoreticians took a very restricted view of entrepreneurial functions and thought that these would not change for time, and scale of operation.

Modern scholars have adopted a practical approach in understanding the concept of entrepreneurship. They have taken into consideration, the existing conditions of developing countries. The entrepreneurs in developing countries often face problems like imperfect market and shortage of skilled labour and capital, etc. The entrepreneurs, of such countries, cannot afford to have large scale operations at the inception level, nor can they restrict themselves to any one or two of the entrepreneurial tasks instead. The entrepreneurs of developing countries have to perform multiple functions to run enterprise successfully.

J.E. Stepanek (1962) writes that "entrepreneurship" is the capacity to take risk, ability to organise and desire to diversify and make innovations in the enterprise. According to Higgins, "Entrepreneurship is meant for the function of seeing investment and production opportunity,
organising in enterprise to undertake a new production process, raising capital, hiring labour, arranging the supply of raw materials, finding, site, introducing a new technique and commodities, discovering new sources of raw materials and selecting top managers for day-to-day operation of the enterprise”.

Prof. Tandon (1975) has aptly defined entrepreneur as “an especially talented and motivated person who undertakes the risk of a business by arranging and combining the factors to establish it and who sees and visualises opportunities for introducing and accepting the new ideas with regard to production technique, nature of products, form of organisation, acquisition of new managerial personnel, changes in administrative organisation, new sources of plans for the expansion of the enterprise. He need not be a person, who employs his own Capital; he need not be a Scientist, who produces machines. But he is a person, who knows the art of changing the production function for using the economic potential of various factors of Production”.

Evans (1949) says that entrepreneurs are the persons who initiate, organise, and control the affairs of the business units and combine the factors of production to supply goods and services whether the business pertains to industry, trade or profession.
According to H.N. Pathak, (1972) "entrepreneurship involves a wide range of areas on which series of decisions are required, which can be broadly grouped into three categories, viz., relating to (i) perception of an opportunity, (ii) organising an industrial unit and (iii) running the industrial unit as a profitable, going and growing concern".

Peter Kilby (1969) envisaged that entrepreneurship, in an underdeveloped economy, involves a wide range of activities which include, inter-alia, perception of market opportunities, combining and managing the factors of production, and introduction of the production technique and products. He writes that it is a known fact that a vast majority of firms, in underdeveloped countries, are of small and medium size, and factor input markets are also underdeveloped. Therefore, the demands placed upon the entrepreneurial unit are considerably more extensive in low-income as compared to high income economies. Thus, the entrepreneurial roles may encompass all activities from the perception of economic opportunity to the external advancement of the firm in all its aspects. Certain tasks demand the entrepreneur's critical attention, whereas others call for little, and can be safely delegated to subordinates.
In nutshell, entrepreneurship involves a whole range of aptitudes and capabilities of an enterprising person like the capacity to bear risk, to forecast prospects of an enterprise, to organise various factors of production, to manage various affairs of the business, to innovate or imitate new things, confidence and competence to meet unforeseen and adverse situation, etc.

An entrepreneur is the person who promotes a new venture, raises the where withal for it, assembles the factors of production, handles various managerial affairs and sets the business growing profitably.

(B) INDIAN STUDIES

Andrew Brimmer's study (1955) of Bombay firms for analysing the community affiliation of the decision making individuals in those enterprises revealed the dominance of the Parsis, Gujarathis and Marwales Communities.

Lamp (1955) analyses entrepreneurial participation by social community since the advent of the factory system in the middle of the nineteenth century. The focus is on the three major Indian communities in modern industry and banking the Marwaris the parsis and the Gujarathi trading castes.
Gadgil (1959) brought together the scanty data available on the entrepreneurial history of the country in the 18th century and gave an account of social communities involved in trade, finance and handicraft industry in various geographical areas.

Bernen's (1960) study is confined to manufacturing enterprises in engineering industry in Madras city and Coimbatore and their vicinities. Bernen's analysis is based on the occupational and socio-economic background of the entrepreneurs, the origin and growth of their firm's problems faced by them and their mobility.

Singh's (1963) study concentrates on a review of empirical findings pertaining to indigenous entrepreneurship after independence in the country as a whole. His study disclose that the public enterprises are characterised by low profit and saving rates which may be partly due to lack of entrepreneurial skills in the public sector.

Spodek's study (1965) focuses on the reason for the growth of indigenous entrepreneurship in Ahmedabad, one of the major textile manufacturing centres. The study deals with the entrepreneurial history of business who pioneered the textile industry of the region. The study also brings out the factors responsible for the source's of entrepreneurs in Ahmedabad, one of the major textile
manufacturing centres. The study deals with the entrepreneurial history of businessmen who pioneered the textile industry of the region. The study also brings out the factors responsible for the success of entrepreneurs in Ahmedabad.

Medhora (1965) focuses on the sociological factors influencing entrepreneurship. He borrows from Max Weber's analysis of religion the caste system and the family system as affecting the emergence of entrepreneurship.

B.N. Singh (1966), according to him, the quality of the entrepreneurs is governed by their response to change and attitude towards investment.

Kling (1967) in his study attempts to provide an explanation beginning with the evidence from the eighteenth century for the attitude toward business activity shown by Bangales.

Bhagawati and Desai (1970) state that "We need to remember that the tradition of economic growth entrepreneurship and industrialization, which modern India inherited was quite impressive by contemporary standards and this tradition certainly made the task of Indian planners considerably easier enabling them to start building on a base of a 'semi-industrialized' system already endowed with entrepreneurial activity".
Kameshwar Jha (1970) pointed out that favourable economic environment has positive impact on entrepreneurship change in social structure as a result of education, and not profit motive compelled young entrepreneurs from trading community to change from traditional occupation and remain independent from family ties.

The study by V.R. Gaikwad and Tripathi (1970) centered on identifying the factors responsible for the success of eleven industrial entrepreneurs and fifteen traders. Among the factors mentioned by them for success were pragmatic personality, managerial competence, high motivation for maintaining the dominant socio-economic power under the chaining circumstances, strong support from kins, favourable Government policies, good contacts exposure to modern technology and timely availability of institutionalised finance for expansion. The study has also thrown light on the reluctance on the part of traders for taking up industries.

Raymond Lee Ovens and Ashim Nandy (1971), studied the Howrah Entrepreneurs to identify the forces that push a community towards greater entrepreneurial initiation and success. The found that in Howrah, it is a case of secondary industrialisation in which most small scale firms are backwardly linked to well-developed large-scale units, there is a highly efficient blending of modern and
traditional ways of doing things and groups other than traditional elites are in a position to enter entrepreneurship. Again, entrepreneurship is not a unitary behaviour of experience. Entry into enterprise requires one set of skills, motive and social background, entrepreneurial competence requires another. Types of background, skill and motives that are successful at one time may not be so at a different time.

H.N. Pathak (1972) maintained that interplay of factors like favourable, timely and appropriate government policies and quick adaptability by the enterprises are responsible for all-round growth of entrepreneurial talent.

M.A. Oommen, (1972) studied 92 small scale entrepreneur in two towns of Kerala - Alleppy and Kozhikode. The study reveals that technicians, merchants, former industrial workers and rural artisans are the main sources of dynamic entrepreneurship. Social barriers and the influence of tradition are on the decline.

Ashia Nandy (1973) compared the cultures of entrepreneurs and non-entrepreneurs of Howrah in West Bengal. He concludes that 'n'. Achievement followed by 'n' power turned out to be the best predictor for entrepreneurial motive.
Christopher, K.J. (1974) Hyderabad, made a detailed study of 61 entrepreneur of the Twin Cities of Hyderabad and Secunderabad to probe into the reasons for starting the industry. While economic gain was found to be the predominant motive, high demand for the product was the immediate reasons for the choice of the particular product. Capital shortage and Government red tape were found to be the discouraging factors at the time of starting the unit. Younger age, formal education, Urban background and experience in industry helped the entrepreneurs, whereas technical education, high monthly income and contacts with influential persons, membership in organisations were not associated with entrepreneurship.

R.A.Sharma (1974) noticed two streams in entrepreneurial growth. In the familiar spheres the entrepreneurship was dispersed among various communities and in other spheres it was thinly spread among socially independent in life, technical knowledge and or/manufacturing experience, financial assistance from institutional sources, business experience in the same or related lines, accommodation in industrial estates and heavy demand are the factors that induced the new and small entrepreneurial class. The emerging new entrepreneurial class was more open than old.
R. Subramoniam (1975) and others explored the entrepreneurship in the small scale industries of Madurai city and its environments and found that entrepreneurship has been much more an outgrowth of economic than social factors and much less of caste. The typical entrepreneur was aspirationally propelled on account of his industry. He is a credit-oriented pre-planner, is dependent (on family members for advice), has imitative innovativeness with a need for achievement, and is moderate traditionally, with occasional risk shifting.

Vinod Agarwal (1975) finds that the western education imparted in India lacked entrepreneurial content. The human element associated with business enterprise, initiative, daring etc., is to be found in greater or lesser degree all over the world, although the form, pattern, scope and flow of entrepreneurship may vary.

B.C. Tandon (1975) argued that the rate of entrepreneurial change is a function of human factor and one can bring about a change in the effectiveness of an enterprise by improving the human factor.

Wayne Nalzinger (1975) in his "Class, Caste and Entrepreneurship" studied the entrepreneurs of Vishakhapatnam in Andhra Pradesh, India, and come to the conclusion what a highly disproportionate number of
entrepreneurs. (especially successful ones) are from high castes and families with high socio-economic status. He has compared his findings with those from certain other nations and has proved that the caste and class structure of India is fairly similar in operation, to that of Southern United States and some other developed economics.

P.Basu (1978) made a study of 244 small scale entrepreneurs of Ernakulam district, the industrial bee-hive of Kerala state. It was found that the community and family background of certain respondents contributed some economic advantages both for the initial entry and later prosperity of entrepreneurs. Education was not found to be a positive factor in entrepreneurial development. The Government policy of providing certain infrastructural facilities was also found to be unwarranted.

Moulik, Basu (1978) and Patel investigated the motivation and constraints on rural entrepreneurship by a study in the Anand Taluka of Gujarat. Three types of entrepreneurs in manufacturing, processing and trading activities formed the subjects. Generally a low level of physical mobility among entrepreneurs was reflected. Rural entrepreneurs were found to be conscious of the opportunities and were eager to exploit it. They were strikingly modern, strongly motivated and emotionally committed to their entrepreneurial role.
B.Sarveswara Rao (1978) and E.W. Nafzinger studied entrepreneurship in small industry in Visakhapatnam city, in Andhra Pradesh. The major purpose of the study was to investigate the factors, determining the supply and success of industrial entrepreneurship, in Visakhapatnam city. The conclusion arrived at, by the authors are that, the socio-cultural features of the traditional Indian society are no longer standing in the way of development of modern entrepreneurship. The study underlines the crucial importance of education, training and work experience for successful development of modern entrepreneurship.

M.U.Despande (1979), according to him, political system was responsible for dormancy of entrepreneurship. Financial help from family and father's occupational status were significantly related to entry. Industrial entrepreneurship was a result of collective ambitions and aspirations of the family. As, V. Louis put it, earlier jobs in a similar unit, prepared individuals for independent venture.

N.H.P.Akhouri (1979), enumerated four basic features of entrepreneurship, prosperity to take risk, strong need for achievement of economic insight and management skill.

K.L.Sharma (1980) studied the entrepreneurs of Utter Pradesh, with reference to their performance and commitment to expand their units. This study explicated four stages of
entrepreneurial growth, viz., entry to manufacturing, efforts to establish markets, establishment of business, and sustained growth; and three dimensions of entrepreneurship, viz., orientation, commitment, and achievement.

K.L. Sharma (1980) and Harnek Singh, after a study of 245 small scale entrepreneurs in Punjab and Uttar Pradesh, have proposed a contingent model for entrepreneurial growth in which they cite family background as a very effective factor for entry followed by caste, capital, technical know how and self-confidence being reinforcement factors. A comparison of entrepreneurship between these two states and between different industries has also been made.

P. Delivasenapathy (1980) conducted a research into the motivational determinants of success among small scale entrepreneur of 53 healthy and 45 sick industrial units and Ambattur Industrial Estate in Tamil Nadu, India, by administering some psychological tests. Entrepreneurs of healthy units were found to be high in 'n' Ach., n. Power, risk taking, job satisfaction and level of aspiration when compared to those of the sick units. While, no significant difference between the two groups was found with respect to affiliation; motive, job anxiety is reported to be significantly high, among entrepreneurs of sick units.

K.S. Ramanavali (1980) studied thirty entrepreneurs engaged in tanning of leather in North Arcot district in
Tamil Nadu to ascertain their behaviour, pattern with respect to modernisation of their units. Entrepreneurs with high risk taking ability were found to be early innovators who modernise their units, quickly and voluntarily. These are generally socially marginal persons. Similarly larger firms modernise faster. As long as no one else in the locality modernises, the risk associated with modernisation of any one unit is perceived to be very considerable.

Dwijendra Tripathi, (1981) through historical data, comes to the conclusion that it is not religion but exposure to new ideas and value that was the common factor between the parses and certain other Hindu entrepreneurs. The parses from the very beginning were close to the British as their middlemen. They adopted their ways of life and imbibed their culture which was conducive to entrepreneurship. He also points to the environment as one of the very important encouraging responses, and under the weight of the change in the material environment, the so called Hindu value system transformed itself to permit the entry of non-business classes into industrial ventures.

A.P.Upadhyya (1983) found that success of entrepreneur was due to incentives offered by development agencies, family up-bringing, from particular caste and craft, providing attention to financial function and formal education.
Sidhardhan (1986), studied the entrepreneurship in small-scale industries in Kanyakumari District, in Tamil Nadu, to find out the factors that promote or inhibit the growth of industrial entrepreneur. Behaviour pattern of investing money on land, the preference for salaried job lingers long in the minds of most of the well educated, inhibits the growth of industries.

Rao. V.L. (1986) studied the entrepreneurial socio economic profile and performance of entrepreneurs in Andra Pradesh and correlated the performance of entrepreneurs to the socio economic variables.

Gupta M.C. (1987) studied the entrepreneurial performance in various managerial field and correlated the performance of entrepreneur to the geographical area.

Bhanushali S.G. (1987). In his study he has developed very comprehensive psycho-socio economic criteria to measure the development of the entrepreneurial personality and measured the success status of entrepreneurs in the various managerial fields and applying this criteria he has correlated their success status to the social educational and occupational background of these entrepreneurs.

Raunog Singh (1990) expects that for an individual continued opportunity for advancement and open door policy were the factors that helped development of entrepreneurship in that group.
From the review of literature given above it can be inferred that the existing studies pertaining to the nature and performance of entrepreneurship are largely historical in their approach. Most of the studies have been tried to analyse the entrepreneurial growth in certain communities over a long period of time. In the earlier studies adequate attention has not been paid to study the micro aspects of entrepreneurs' growth, efficiency, and development in various managerial fields. Further, studies conclude that in India as a whole, there is no dearth of entrepreneurial talents as such. But such conclusion does not throw much light in understanding and analysing, the regional aspect of entrepreneurship development. Hence much attention need to be given for regional aspect of entrepreneurship development.