Globalization, in its present form, has evolved as a result of the concurrence of changes in multiple spheres. However, one development without which globalization would have never been able to reach its current state is the discoveries in the area of information and communication technology (ICT) leading to the virtual reduction in the size of the world. Indispensability of ICT in the operation of many other industries has made ICT an industry by its own right. This development has opened a floodgate of opportunity which has motivated many entrepreneurs to start business ventures in this fast growing area. Being essentially based on new stock of knowledge, entry into the ICT industry is open only to entrepreneurs who enjoy the advantage of possessing requisite knowledge of the new technology and/or about relevant business process. It is understandable that such entrepreneurs would include both individuals who have a family background in business and those who have no such background. Theoretically, people belonging to the first category should be in an advantageous position, as they would be capable of receiving family’s support and/or guidance in various aspects related to business. Despite all such advantages enjoyed by individuals coming from business families, many individuals who have no family background in business are very much visible in the ICT industry as well-established entrepreneurs.

Due to various advantages, ICT is one industry with plenty of scope still for the emergence of new entrepreneurs. However, this does not imply that any new entrepreneur would manage to survive in this industry. Research testifies that in any industry, not all entrepreneurs who start their business ventures succeed in surviving; in fact, many leave the industry. It may be assumed that this common rule would apply to the ICT industry as well. This leads to our broad research problem: what is the background of the entrepreneurs who have managed to survive in the ICT industry, and what has helped only some entrepreneurs to survive in the ICT industry? Considering the dispensability of building effective interpersonal relationships for
developing business ventures it appears that the concept of ‘social capital’ would be a sensitizing tool in exploring this research problem. For facilitating this quest, the study seeks to

- Explore the background of entrepreneurs in the ICT industry.
- Develop a conceptual understanding of social capital in the context of entrepreneurship.
- Examine the importance of social capital in the development of ICT entrepreneurship.
- Study the changes in the utilization of social capital for the development of ICT entrepreneurship.

Data for this study have been collected by conducting case studies of 30 ICT entrepreneurs located in Bangalore, Chennai, Mumbai, and Pune. For conducting these case studies, entrepreneurs have been interviewed extensively with the help of an interview guide. At the same time, certain general information about the entrepreneurs as well as their enterprises has been collected from the entrepreneurs by use of an interview schedule. In addition, some information about the enterprise has been collected from the organization websites.

For this study, entrepreneurs have been operationalized as founders of companies/firms in the ICT industry. Leaving aside few entrepreneurs others have been in business for more than five years. The entrepreneurs selected for this study have been identified from various sources. These include participants at various events organized by the Mumbai chapter of The Indus Entrepreneurs (TiE), TiE Entrepreneurial Conference held at Mumbai in December 2006, and gatherings of Mumbai Entrepreneurship Meetup Group. At the same time, entrepreneurs have been identified from TiE Mumbai membership database, KOMPASS industry database, and the database available in the websites of BangaloreIT.com and Software Technology Parks of India, Chennai. One entrepreneur was identified through reference. With the aim of exploring diversity, theoretical sampling technique has been followed in selecting the entrepreneurs, limit of which was determined by saturation. Collected data, which is primarily qualitative in nature, was thematically coded and then organized with the help of ATLASi software. It was then analyzed to generate grounded theoretical statements.
Abstract

This research has been organized into seven chapters. The first chapter introduces the research problem and provides the background for this research by exploring the existing literature. The second chapter articulates the methodology that has been followed for conducting this research. The third chapter focuses on the background of entrepreneurs and highlights the factors that have motivated them to enter business. The fourth chapter classifies the enterprises founded by the entrepreneurs studied based on various criteria related to business operation. The fifth chapter explores the importance of social capital in various aspects associated with the process of business development. The sixth chapter examines the role of social capital in development of a facilitating business ‘ecosystem’. The seventh and final chapter draws conclusions by linking social capital and business venture with the help of empirical data.

The study found that a large number of ICT entrepreneurs acquired necessary knowledge through educational pursuit in related fields. At the same time, it was found that educational qualification in related areas was not essential for becoming an ICT entrepreneur. What was more important was an appropriate work experience. It was observed that, although individuals coming from business families enjoyed an advantage of learning various business acumen at home, originating from a family involved in traditional business could at times be disadvantageous for an individual in becoming an entrepreneur in a high technology industry like ICT. The sample for this research included a large number of entrepreneurs who were not from business families. Many entrepreneurs were in the age groups of 30-40 years and 40-50 years. Most of them established their business when they were between 25 and 35 years of age.

The current research found that, in the context of entrepreneurship, social capital is closely related with social networks, reputation, trust, commitment, and goodwill. Social capital accessible to entrepreneurs varied depending on various factors like work experience, friendship, family background, and reputation based on knowledge and skill. Social capital was crucial for many entrepreneurs in getting initial customers. It also played an active role in facilitating exploration of business opportunity, identification of prospective customers, retention of customers, getting later customers, as well as crisis management. It was also found to be useful in getting financial investment, physical infrastructure, human resource and in establishing various forms of collaboration. By exploring various aspects of business processes it
was observed that, whereas social capital played an important role in shaping them, it was not indispensable for growth of all businesses. Depending on the nature of business operation, at times, some ventures could grow even without social capital. Social capital, by itself, was never sufficient for business growth. When present, social capital primarily facilitated the functioning of various other necessary components.