1.1 Introduction

Worldwide, the MSME sector has been accepted as the engine of economic growth. With the increase in pressure on land and growing unemployment resulting out of net population growth, the need for robust growth of the MSME sector has assumed critical importance. The changing environment offered good scope for making the region (Assam) industrially and economically developed and for this, the region needs more entrepreneurs for exploiting the emerging entrepreneurial opportunities and for contributing to the growth of micro, small and medium enterprises.

Food industry is one of the key sectors which are the mainstay of Indian economy because of its high share in employment and major contribution to GDP. At present the food processing sector employs about 13 million people directly and about 35 million people indirectly. The food market in India is estimated at over Rs. 9,100 billion and accounts for about two third of the total Indian retail market.

The entrepreneurs of MSME Sector are shaping the economy. They create jobs, they create wealth. North East needs millions of entrepreneurs to shape up the destiny of this region. It is now pertinent to know as to who the successful entrepreneurs are and what makes them successful?
Although personality characteristics are viewed as a vital component of entrepreneurship, situational circumstances and social functions are also important in the process of becoming an entrepreneur. Under similar situational circumstances certain people set up in business while others not; it takes a special kind of person to set up business on their own. Setting up alone is not as important as becoming successful in the venture. It requires a completely different set of skills to manage resources, foresee opportunities and stay ahead of time.

The present study is an attempt to know how ‘Demographic Factors’ of the entrepreneurs, ‘Motivational Variables’, ‘Personality Traits’, ‘Knowledge & Skills’, ‘Economic & Environmental Variables’, and ‘Support Factors’ lead to a successful entrepreneur in food processing MSMEs of Assam.

1.2 Problem Statement

The importance of MSME entrepreneurs in the context of economic development can be measured in terms of employment generation, contribution to GDP, national Export etc. The special contribution that MSME can make towards uplifting a backward region like Assam is the creation of employment opportunity for jobless youths. The government is taking number of initiatives - starting with educating the entrepreneurs, running motivational campaigns, providing trainings, giving finance, arranging for raw materials, managing technologies, extending marketing helps, granting subsidies etc - in order to give a boost to entrepreneurship development in Assam.
Despite above initiatives, the low level of entrepreneurship in this region & sickness of MSMEs, especially the food processing enterprises, in Assam puts a question mark before us. It becomes imperative for the researcher to know about what makes a successful entrepreneur? Under similar circumstances, why some are successful? Is it because of the personal factors of the entrepreneurs, or socio-economic factors or govt. & institutional support factors that lead to success?

Scholars have argued that many small businesses have failed due to lack of entrepreneurial competencies among business owners (Kiggundu, 2002). Naffziger (1995) argued that a focus on the internal factors related to entrepreneurs may improve business success. Ibrahim and Goodwin (1986) indicated that the factors that contributed most to firm’s success were related to the skills and abilities of the entrepreneurs themselves, while external factors such as government policy and economic conditions were the least important factors. Beaver and Jennings (2005) found that small businesses failed because of the owners’ “ineffective” behaviours such as inability to manage spending, lack of professional management, failure of control systems, as well as the absence of a clear vision.

The justification for this study comes from the fact that a research study to identify the important determinants of successful entrepreneurs might be a valuable tool for support programs conducted by business, Universities and Government agencies.
1.3 Review of literature

1.3.1 Important Definitions

(i) MSMEs (Micro, Small and Medium Enterprises)

As per MSMED Act 2006, Micro, small and medium enterprises in manufacturing sector is defined in terms of investment in plant & machinery. Micro Enterprise is one in which the investment in plant & machinery does not exceed Rs. 25 lakhs. For small enterprises, the investment is more than Rs. 25 lakhs but does not exceed Rs. 5 crores whereas for medium enterprises, the investment is more than Rs. 5 crores but does not exceed Rs. 10 crores.

(ii) Food Processing Enterprises

Food processing involves any type of value addition to agricultural or horticultural produce and also includes processes such as grading, sorting, and packaging which enhance shelf life of food products. India's food processing sector covers a wide range of products: fruit and vegetables, spices, meat and poultry; milk and milk products, alcoholic beverages, fisheries, plantation, grain processing and other consumer product groups like confectionery, chocolates and cocoa products, Soya-based products, mineral water, high protein foods etc.\textsuperscript{1} The Ministry of Food Processing, Government of India has defined the following segments within the Food Processing industry:

a. Dairy, fruits & vegetable processing

b. Grain processing

c. Meat & poultry processing

\textsuperscript{1} White paper on food processing Industry in India, D’ essence Consulting, Mumbai
d. Fisheries

e. Consumer foods including packaged foods, beverages and
packaged drinking water

(iii) Entrepreneur

a) An entrepreneur is a person who starts an enterprise, or venture, actively
manages the day to day activities and assumes significant accountability for
the inherent risks and the outcome.

b) He is one who innovates, and introduces something new in the economy

(Austrian Economist, Joseph A. Scumpeter, 1883-1950)

(iv) Operational Definition of the term ‘Successful Entrepreneur’

Success of the entrepreneur is measured by success of the firm. For the
purpose of this study an entrepreneur is considered successful if he/she started
his/her own business, have 5 employees, and established for at least 3 years.
Level of success is measured in terms of numbers of sales growth over the
period three years.

1.3.2 Review of Earlier Research Studies

A number of research studies have been conducted in the recent years on the
topic determinants of entrepreneurial success in order to answer the question as to
what makes a successful entrepreneur. Abdullah et al (2009) confirmed eight
factors which are vital to the success of entrepreneurs. In rank order of
Introduction

importance, these factors are advancement, inner drive, achievement oriented, commitment, decision-making ability, managing risk, networking, and optimism.

Kader, Mohamad and Ibrahim (2009) in their study emphasized the importance of various external factors in response to entrepreneurial development. The various environmental factors among other include infrastructure and facilities (transportation infrastructure, communications, buildings, water and power supply, access to capital), are necessary inputs for rural development that will create a favourable environment for rural small businesses to succeed in the near uncertain future.

Djankov et. al. (2008) conducted a study in Brazil. The data were collected from 400 entrepreneurs and 540 non-entrepreneurs of the same age, gender, education and location in 7 Brazilian cities, found that family characteristics have the strongest influence on becoming an entrepreneur. In contrast, success as an entrepreneur is primarily determined by the individual’s smartness and higher education in the family. Sharda & Samsom (2007) advocated that the main determinants of a successful entrepreneur are found to be- watchful to spot the opportunities, persuasive, goal oriented, self confidence, creativity, courage, trustworthy, ambitious, capacity for empathy, perseverance and locus of control.

Hisrich, Peters and Shepherd (2007) highlighted that childhood & family background, personal values and work history are the important motivational factors that leading to success in entrepreneurial business. Childhood and family
background concerning the family environment of the entrepreneur include birth order, parent’s occupation & social status and relationship with parents. In terms of the occupation of the entrepreneurial parents, there is strong evidence that entrepreneurs tend to have self-employees or entrepreneurial parents. The supportive relationship of the parents appears to be the most important in development of entrepreneurial spirit. Personal values have showed that the entrepreneur has a different set of attitudes about the nature of the management process and businesses in general. The nature of the enterprise, opportunism, institution, and individuality of the entrepreneur diverge significantly from the bureaucratic organization and its planning, rationality, and management. In the same way, the past work experience of individual’s plays major role in entrepreneurial development. Most entrepreneurs indicate that their most significant venture was not their first one. Throughout their entrepreneurial careers, they are exposed to many new venture opportunities and have ideas for many more new ventures.

**Table No. 1.1: Characteristics of Male & Female Entrepreneurs**

The following table depicts the characteristics comparison of male and female entrepreneurs:

<table>
<thead>
<tr>
<th>Characteristic</th>
<th>Male entrepreneurs</th>
<th>Female entrepreneurs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Motivation</td>
<td>• Achievement-strive to make things happen.</td>
<td>• Achievement-accomplishment of a goal.</td>
</tr>
<tr>
<td></td>
<td>• Personal independence-self-image as it relates to status through their role in the corporation is unimportant.</td>
<td>• Independence-to do it alone.</td>
</tr>
<tr>
<td></td>
<td>• Job satisfaction arising from the desire to be in control.</td>
<td></td>
</tr>
<tr>
<td>Departure point</td>
<td>• Dissatisfaction with present job.</td>
<td>• Job frustration.</td>
</tr>
<tr>
<td></td>
<td>• Sideline in college, sideline to present job, or outgrowth of present job.</td>
<td>• Interest in and recognition of opportunity in the area.</td>
</tr>
<tr>
<td></td>
<td>• Discharge or layoff.</td>
<td>• Change in personal circumstances.</td>
</tr>
<tr>
<td></td>
<td>• Opportunity for acquisition.</td>
<td></td>
</tr>
</tbody>
</table>

7


<table>
<thead>
<tr>
<th>Sources of funds</th>
<th>Personal assets and savings</th>
<th>Bank financing</th>
<th>Investors</th>
<th>Loans from friends and family</th>
</tr>
</thead>
<tbody>
<tr>
<td>Occupational background</td>
<td>Experience in line of work</td>
<td>Recognized specialist or one who has gained a high level of achievement in the field.</td>
<td>Competent in a variety of business functions.</td>
<td></td>
</tr>
<tr>
<td>Personality characteristics</td>
<td>Opinionated and persuasive</td>
<td>Goal oriented</td>
<td>Innovative and idealistic</td>
<td>High level of self-confidence</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Enthusiastic and energetic</td>
<td>Must be own boss</td>
</tr>
<tr>
<td>Background</td>
<td>Age when starting venture: 25-35</td>
<td>Father was self-employed</td>
<td>College educated-degree in business or technical area (usually engineering)</td>
<td>Firstborn child</td>
</tr>
<tr>
<td>Support groups</td>
<td>Friends, professional acquaintance (lawyers, accountants).</td>
<td>Business associates</td>
<td>Spouse</td>
<td>Close friends</td>
</tr>
<tr>
<td>Type of business started</td>
<td>Manufacturing or construction</td>
<td>Service-related-educational services, counselling, or public relations</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>


Aspen Institute Study (2006) conducted a survey on “Factors contributing to successful growth of a start-up enterprise” and reported that success depends on the following items:

- Scaling-up does not happen by accident; rather it requires a clear and consistent focus by the organizations board and management,
• Leadership and good management are essential to taking an organization to scale.

• Market knowledge and information is critical to scaling-up;

• Marketing of product or services which is active and proactive is an element of successful scale-up;

• The ability to create a diversified yet complementary set of products is important for scaling;

• Scale-up can take place at the product level but this is a process rarely seen at the community development finance level;

• Geographic expansion is also critical;

• Partnership, mergers and other approaches to strategic restructuring often play a key role in expanding geographic coverage or expanding/adding product lines;

• Partnerships also require considerable commitment and negotiation which can be intense and time consuming;

• Replication can also be a path to greater scale, but successful replication is difficult;

• Standardization may be a necessary precursor to growth;

• Investments in technology play a role in expanding services, increasing efficiency and cost savings;

• Significant investment in infrastructure – the basic systems, technologies and resources to a program – will be critical to successful growth;

• New staff and management skills and capacities are needed at different points in the growth process;
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- Organizations focused on scale-up use performance measurement to guide decision making;
- Organization scale-up takes time and money;
- Significant growth requires substantial investment of capital investment; growth without adequate financing can in fact endanger an organization’s sustainability;
- The legal or regulatory environment can also play a key role in driving or facilitating expansion or growth to scale;
- The funding environment is also critical to supporting scale.

Djankov et. al. (2005) conducted a survey from five large developing and transition economies to understand the behaviour of entrepreneurship. Using data from a pilot study with over 2,000 interviews in 7 cities across China, the study found that compared to non entrepreneurs, entrepreneurs are much more likely to have family members who are entrepreneurs as well as childhood friends who became entrepreneurs, suggesting that social networks play an important role in entrepreneurship development.

Clover and Darroch (2005) noted that access to public physical infrastructure services for instance water, electricity, serviceable roads, telecommunication, telephones, electronic media and postal services which are all crucial for business start-up, development and growth. But research evidence proved that access to public infrastructure services is a major constraint to SME survival and growth.
Gideon & Baron (2003) in their study suggested that the closer the match between entrepreneurs’ personal characteristics and the requirements of being an entrepreneur (e.g., creating new companies by transforming discoveries into marketable items), the more successful they will be. They also argue that to the extent entrepreneurs are high on a number of distinct individual-difference dimensions (e.g., self-efficacy, ability to recognize opportunities, personal perseverance, human and social capital, superior social skills) the closer will be the person–entrepreneurship fit and, consequently, the greater the likelihood or magnitude of their success.

Desai (2001) pointed out that entrepreneurial motivational characteristics are formed through a combination of various social, economic and psychological factors to which the person becomes subjected to right from childhood. These factors reinforce in him/her to urge to excel others and seek satisfaction increasing on his/her own a new enterprise instead of seeking a security-oriented job.

Panda T. K. (2000) conducted a land mark study addressing personality traits, motivational factors, socio-cultural factors, education and support factors. Technical and professional education, location advantages and easy access to market are found to have strong correlation with entrepreneurial success. Lack of marketing support by government and other developing institutions and poor level of distribution network are the key hindrances to entrepreneurial success. Cast & parental background also found to have strong correlation with
entrepreneurial success. He also verified the desire to be successful & financial backup are strongly associated with entrepreneurial success.

Sarder et al. (1997) conducted a study of 161 small enterprises in Bangladesh and found that firms receiving support services, such as marketing, management education and training, technical, extension and consultancy, information, and common facilities from the public or private agencies experienced a significant increase in sales, employment and productivity.

Drucker (1985) in his study recommended that to be successful in his/her business, the entrepreneur should meet four important skills which are listed below:

- Marketing activities and an active business,
- A strong financial base,
- Building effective top management teams and
- Active role played by entrepreneurs.

Schumpeter (1934) in his research study defined entrepreneur as an innovator who introduces new combinations of means of production. Entrepreneurship is a creative activity and the entrepreneur introduces something new in any branch of economic activity. The carrying out of a new combination implies employment of productive means in a changed form. It is not necessary that new combination is carried out by people who control the product or commercial process. A new combination can be carried out by employing both unused and used means of production. In the words of Schumpeter, “Everyone is an entrepreneur only when
he actually carries out new combinations and loses that character as soon as he has built up his business, when he settles down to running it as other people run their business”. It includes introduction of new products, creation of new markets, application of new process of production, discovery of new and better sources of raw materials and developing a new and better form of industrial organization.

Table No. 1.2: Characteristics of Successful Entrepreneurs

The following table depicts an overview of various characteristics of successful entrepreneurs:

<table>
<thead>
<tr>
<th>Year</th>
<th>Researcher</th>
<th>Characteristics</th>
</tr>
</thead>
<tbody>
<tr>
<td>1954</td>
<td>Sutton</td>
<td>Desire for responsibility</td>
</tr>
<tr>
<td>1959</td>
<td>Hartman</td>
<td>Source of formal authority</td>
</tr>
<tr>
<td>1961</td>
<td>McClelland</td>
<td>Need for achievement</td>
</tr>
<tr>
<td>1971</td>
<td>Palmer</td>
<td>Risk</td>
</tr>
<tr>
<td>1973</td>
<td>Winter</td>
<td>Need for power</td>
</tr>
<tr>
<td>1974</td>
<td>Borland</td>
<td>Internal locus of control</td>
</tr>
<tr>
<td>1974</td>
<td>Liles</td>
<td>Need for achievement</td>
</tr>
<tr>
<td>1977</td>
<td>Gasse</td>
<td>Personal value orientation</td>
</tr>
<tr>
<td>1978</td>
<td>Timmons</td>
<td>Drive</td>
</tr>
<tr>
<td>1980</td>
<td>Sexton</td>
<td>Energetic</td>
</tr>
</tbody>
</table>


A closer look in to the earlier research studies reveal that the different researchers have conducted their study on different factors/variables or in different dimensions or even with different sets of factors /variables contributing to success. It is now essential to conduct a comprehensive study covering all major sets of factors /variables which lead to success so that the outcome of the study can be referred easily and immensely by the academicians, training institutions and the small entrepreneurs. Accordingly, the present study proposes to carry on
the research with major sets of determining factors/variables which lead to success.

These are as follows -

1. Demographic variables leading to success
2. Motivational variables leading to success
3. Personality traits leading to success
4. Knowledge and skills leading to success
5. Economic and environmental variables leading to success
6. Support variables leading to success
1.3.2.1 Identification of Demographic Variables Leading to Success

Demography simply means the study of human population. Demographic variables generally include age, gender, education, Cast, race/ethnicity/community, religion, marital status, employment status, income and socioeconomic status. Earlier studies on entrepreneurship put forwarded the view that demographic variables plays important role in making successful entrepreneur.

Makhbul (2011) investigated the relationship between entrepreneurial factors and entrepreneurial success. Using a simple random sampling technique, 163 entrepreneurs with at least three years of business operations were selected. Data were gathered through a self-monitored questionnaire survey. Multiple regression analysis was used to test the relationship between the entrepreneurial factors and entrepreneurial success. Based on the means analyses, religious duty/honesty factor is perceived as the most significant factor affecting entrepreneurial success compared to others factors. It suggests that today’s entrepreneurs believe that they could succeed if they run their ventures ethically.

Wanigasekara and Surangi (2010) studied the impact of level of education and business experience on business success of owner managers. The study was based on sample of 33 owner manager from retail sector. The data collection techniques were questionnaire method and independent t-test was used for analysing the data. Findings of the study revealed that there is significant relationship between level of education and business success and there were no

Dickson et. al. (2008) in a research study measured the relationship between general education, specific forms of entrepreneurial education and a range of entrepreneurial activities. The data analysis of the survey highlighted that there is strong evidence for supporting the relationship between levels of general education and several entrepreneurial achievement instrument. Djankov et al (2007) finds that successful entrepreneurs have many more entrepreneurs among their relatives (parents, aunts, uncles, siblings, cousins) and also among their childhood friends. Success as an entrepreneur is primarily determined by higher education in the family.

Hisrich, Peters and Shepherd (2007) in their work observed that, the age group of the people as well as educational background has an important bearing in the entrepreneurial success. Age group initiates entrepreneurial careers between the ages of 22 and 45. A career can be initiated before or after these ages, as long as the entrepreneur has the necessary experience and financial support, and the high energy level need to launch and manage a new venture successfully. Similarly the educational background of the people is also important determinant of successful entrepreneur. The importance of education is reflected not only in the level of education obtained but also in the fact that it continues to play a major role in helping to cope with problems entrepreneur confront.
Dyke and Murphy (2006) in an article explored how women and men define success and how their definition of success affects their career progress. Qualitative analysis of data from 40 interviews with successful women and men suggested that gender differences do exist. Women highlight the importance of balance and relationships whereas men focus more on material success. Both men and women thought that their definitions of success had limited their career progress. The results of the study suggest that gender differences in the meaning of success exist even when occupational attainments are similar.

Malach-Pines et al (2005) in their research findings showed that Israelis perceived entrepreneurs as having higher social status than Americans and Hungarians. Israelis also demonstrated greater risk taking expressed in the readiness to leave a secure job to join a start-up. Israelis and Americans rated themselves higher than Hungarians on initiative, love of challenge and independence, the three traits rated highest by actual entrepreneurs.

Dwi Riyanti (2004) in a study observed that age variable was significantly related to business success. Age significantly influences business achievement. In this case, age must not be understood only as chronological in nature, but as entrepreneurial age, i.e., the length of time someone manages his or her business. The longer someone is involved in a business, the richer his or her accumulated experiences are, thereby making him or her more capable of managing a business successfully.
Bird and Sapp (2004) in a research article explored how urban versus rural community location shapes the extent to which various individual, relational, and structural factors affect the gender gap in small business success. The data were collected from small business covering urban and rural area (1995 and 1997). The study indicate that the gender gap in small business success operates such that men-owned businesses are more successful in both urban and rural settings but that men-owned businesses are even more successful than women-owned businesses in urban than rural communities.

Alwis and Senathiraja (2003) in their research paper advocated that business value formation is mostly influenced by the socio-cultural and personal background factor such as age ethnicity, religion and education, of the decision makers. It is revealed that ethical natures of business practices are determined by the religion. The study highlighted that both Sinhalese and Tamil highly religious businessmen are more ethical but they are not the high performers. Relatively Tamils are more predispositions for entrepreneurs than Buddhist and inferiority feelings of Tamils has led to develop more business links and to be more competition oriented.

Man et al (2002) asserted that the entrepreneur’s demographics are often cited as one of the most influential factors related to the success of an SME. Delmar and Davidsson (2000) discussed the importance of ethnicity or race or the community in the process of entrepreneurial success. Parents, gender, ethnicity/race, education and work experience have influence on becoming success. It is noted
that self-employment is often suggested as a way of establishing a new immigrant
group in the economy when other career options for various reasons are closed.
Successful groups or community for instance Indian, Pakistani and Bangladeshi
communities in the UK, Jewish and Asian communities in the USA. The main
explanation to why some ethnic groups are more successful than others is that the
successful groups have access to critical resources such as financial and human
(education, network) capital before they enter a new country or a new (sector of
an) economy.

Niels Bosma et. al. (2000) explored that entrepreneur with experience in the
sector earn about thrice as much compared to entrepreneurs lacking this
experience. Also, having a high education approximately doubles profit, Age
appears to have a negative influence on profit: an entrepreneur that is 10 years
older at the start of his business earns about 25% less than his younger
equivalent. Simon and Cromie (1998) instituted that actual and perceive
entrepreneurial skills are acquired overtime and consequently and age has an
impact on entrepreneurship. For example it has been suggested that many people
age thirty or less may not have acquired sufficient organizational experience
while those age forty five or more may no longer posses the acquired energy.

Bygrave (1997) exploded that successful entrepreneurs have the optimism and
energy of youth and experience that comes with age. Smith et. al. (1996) in their
research findings revealed that the firm’s strategic choices, behaviours, and
performances are to a large extent influenced by the demographic characteristics
of its owners or top managers. It implies that a firm or an enterprise seems to be a reflection and extension of its owner.

Hagen (1962) conducted a study in Sri Lanka and pointed out that level of education plays a subsidiary role in promoting entrepreneurship, because entrepreneurs are born. It is often articulated that the supply of entrepreneurs will ultimately be increased more if awareness of the feasibility and desirability of starting a business is established at a young age. Thus education system is assisted to foster support and encourage those interested in knowing what it is like to run a business.

After reviewing a number of earlier studies, the researcher interacted with faculty members, industry experts, DIC & MSME officials, entrepreneurs; and also a pilot study was conducted to include the following demographic variables leading to entrepreneurial success in the proposed research.

1. Age
2. Gender
3. Education
4. Community
5. Religion
1.3.2.2 Identification of Motivational Variables Leading to Success

There are various factors leading to success of entrepreneurs and one of the important factors is motivation of the entrepreneur. The term motivation simply means the causes that inspire the people to do something. An individual’s decision about entrepreneurship career is the outcome of an interaction between influences of internal as well as external factors those emanating from the general environment.

The desire to be one’s own boss is what drives both male and female entrepreneurs around the world to accept all the social, psychological, and financial risks and to work the large number of hours needed to create and develop a successful new venture (Hisrich, Peters and Shepherd, 2007). Nobody less than this motivation would be enough to inspire the entrepreneur to endure all the frustrations and hardships. Successful entrepreneur indicates a constellation of psychological traits, attributes, attitudes, and values of an individual motivated to commence a new business venture (Chandra, 1991). It is proved that Entrepreneurs are driven by a high need for achievement toward accomplishing tasks that challenge their competencies.

Hedge and Laxmisha (2013) in their research article assessed the motivation and performance of the entrepreneur of Karnataka State. It is mentioned that various push factor like unemployment, dis-satisfaction in the current job, threat of unemployment, lack of other alternatives and pull factors like higher income, desire to be independent and interest motivated (influenced) youth to start their
own enterprise. The findings of the study revealed that there is significant relationship between motivational factors and entrepreneurs turnover; there is association between motivational factors and numbers of changes made; and there is association between motivational factors and percentage of profit.

Witbooi, Cupido and Ukper (2011) emphasized that entrepreneurs with high initiative are able to stay ahead of their competitors, and are role model for their employees. Initiative is goal-directed and action-oriented and, therefore, closely linked to an active strategy. It is also a psychological variable behind the reason whether a person has what it takes to become an entrepreneur. An entrepreneur with high personal initiative is someone who initiate to take action and to be proactive. Whether it is to determine the success of start-ups or to successfully lead a company to growth-stage, personal initiative, which represents the ability to self-start, proactive, and over-coming barriers plays a dominant role.

Alam and Omar (2011) in an empirical study investigated the key factors affecting success of women entrepreneurs in Southern region in Malaysia. Data were collected using a self administered questionnaire that was distributed through mail survey. Multiple regression analysis was used to identify the important determinants of success of women entrepreneurs. The results of the study suggest that family support, social ties and internal motivation affect positively and significantly to the success of women entrepreneurs in the small business. It also showed that women entrepreneurs having problem when they enter into the business.
Zhang and Bruning (2011) in their paper measured the personal characteristics of entrepreneurs of Canadian manufacturing companies. The study found that entrepreneur’ personal characteristics, such as need for achievement and need for cognition, have positive impact on firm performance. Furthermore, it is demonstrated that their strategic orientations mediated these influences. The findings of the study also revealed that, the entrepreneurs seek and interpret information and formulate organizational strategies is partially influenced by their personal characteristics. Entrepreneurs develop their own ways of utilizing the human capital that they bring to their firms.

Zampetakis and Kanelakis (2010) revealed that individuals with a family background of entrepreneurship are more likely to develop high entrepreneurial opportunity orientation (i.e. interest, skills and self-efficacy) and start their own business. It was found that having a parent that owns a full-time business was positively related to entrepreneurs’ prior knowledge. It can be concluded that having parental role models may influence business start up to a large extent.

Carraher, Buchanan and Puia (2010) in their study revealed that goal orientation, conscientiousness, cognitive complexity, age, and gender were found to be able to account for 29.4% of the variance in need for achievement among American entrepreneurs, 45.3% among Chinese entrepreneurs, and 33.5% among Latvian entrepreneurs. Differences are found between the countries with cognitive complexity being statistically significant in the USA and China, but not in Latvia. Gender was significant in the USA and China but not in Latvia. Age was not
Introduction

significantly related to need for achievement in any of the three countries, while goal orientation and conscientiousness were significantly related to need for achievement in all three countries.

Zhu and Chu (2010) conducted a study on women entrepreneurs in Beijing covering a sample of 180. The result of the study depicted that the main motivation for business ownership are to increase their income, to prove their ability, to be independent and to be able to use their past experience and training.

Zhuplev and Shtykhno (2009) conducted a longitudinal survey on small business entrepreneurs in Russia in two stages namely 1994 and in 2008. The study examined entrepreneurial climate and developments in Russia’s small businesses with a focus on motivations and obstacles in starting up and operating businesses. The study also analyzed the entrepreneurs’ needs for training, consulting, and other types of assistance in a comparative context. The study found no significant differences between 1994 and 2008 in terms of entrepreneurial motivations and obstacles; several shifts and trends in motivations and obstacles were identified in their relative importance in SME dynamics.

Raghunathan (2008) conducted a study on entrepreneurial motivation of Marwari entrepreneur and observed that entrepreneurs in Rajasthan have started their business primarily because of their personal characteristics. The predominant motives that inspire the entrepreneur were independence, autonomy, accomplishment, achievement and self-actualisation. This was followed by
business reasons especially with regard to the availability of raw materials, easy availability of business opportunities due to expansion and diversification policies of the existing firm and social commitments and involvements.

Djankov et. al. (2008) in another study conducted in Brazil based on data from a new survey on entrepreneurship in Brazil, of 400 entrepreneurs and 540 non-entrepreneurs of the same age, gender, education and location in 7 Brazilian cities, found that family characteristics have the strongest influence on becoming an entrepreneur. In contrast, success as an entrepreneur is primarily determined by the individual’s smartness and higher education in the family.

Hussain, Scott and Hannon (2008) measured the characteristics and entrepreneurial motivations of graduate entrepreneurs from black and minority ethnic (BME) communities. The study revealed two most compelling motivations for start up were “being your own boss”, especially for Indians and Bangladeshis; and making more money (31%), in particular for African Caribbean’s. It also pointed out that over half of respondents started their business in a sector in which they had prior experience, knowledge or skills. It also revealed that, two thirds of respondents obtained advice from family and friends, while just over a third had completed any kind of training or professional course.

Alstete (2008) research revealed that entrepreneurs enjoy the independence, freedom & job satisfaction. Hisrich, Peters and Shepherd (2007) highlighted that
childhood & family background, personal values and work history are the important motivational factors that leading to success in entrepreneurial business. Abrams (2006) in his work has emphasized the motivational factors of entrepreneurs, which he termed as the *four C’s* of entrepreneur. The *four C’s* are the motivational factors that are required for entrepreneurial success. It is useful to evaluate and consider one’s personal goals when deciding upon the nature of one’s business development. The *four C’s* as described by Abrams include Control, Challenge, Creativity, and Cash which are briefly discussed below.

- **Control:**
The first *C’s* is the control of an individual. How much control a person need to exercise on a day-to-day basis influences how large one’s company can be. If a person refer to be involved in every business decisions or are uncomfortable delegating or sharing authority, his/her business should be designed to stay small.

- **Challenge:**
The second *C’s* is the challenge of an individual. During the period of starting or expanding a business, an individual is likely to be a problem-solver and risk-taker, enjoying the task of figuring out solutions to problems or devising new undertakings. It is important to recognize the extent of need for new challenges and develop positive means to meet this need.

- **Creativity:**
The third *C’s* is the creativity of an individual. Entrepreneurs want to leave their mark. Their companies are not only a means of making a living, but a way of creating something that bears their stamp. That’s why many businesses carry the
founder’s name. Creativity comes in many forms. For some, it is creativity involved with designing or making a new “thing”---a profession designer creating a line of clothes, a software developer writing a new program, a real estate developer building. For others, it may be the creativity of coming up with a new building process. Creativity also comes into play in findings new ways to make sales, handle customers, or reward employees.

- **Cash:**

  The last or the fourth C’s is the cash that are required by each and every individual. The personal financial goals have an impact in the business plan. For instance, if we need substantial current income, we may need investors so we have sufficient cash to carry us through the lean start-up times. This means we will share ownership interest with others, and the business must be devised for substantial profit potential to reward those investors appropriately. Likewise, if our aim is to build a large company and accumulate substantial income or wealth quickly, we will need outside investors to finance such rapid development or expansion.

  Saxena (2005) in his study highlighted that entrepreneurs appear in hostile as well as benevolent environment and internal psychological impulses have the ultimate bearing on the individual’s final decision to take the entrepreneurial thrust rather than external pushes and pulls.

  Bolton and Thompson (2004) emphasized the importance of family background. The family environment comprises race, birth order, status and occupation of parents, perception of desirability, perception of feasibility. A childhood whose
environment instils confidence in entrepreneurial success is more likely to step forward. argue that family background is important to the entrepreneur. A youth whose environment instills confidence in entrepreneurial success is more likely to step forward.

Rwigema and Venter (2004) advocated that well-educated parents who encourage independence and self-reliance confer on their offspring an early advantage; while wealthy parents can assist with start-up capital. Collins, Hanges and Locke (2004) in their study revealed that individuals who pursued entrepreneurial careers, scored significantly higher on achievement motivation than individuals who pursued other types of careers. It also highlighted that there are differences between those students who are entrepreneurial and those who are not.

Nasser (2003) highlighted that role model plays a dominant role in respect of entrepreneurial growth and development. It is proved that role models can inspire confidence as well as provide mentorship through advice and contacts. It is also noted that parents exert a strong influence on children when they opt for a certain type of entrepreneurial activity. Research evidence proved that societies which have the support of successful business people that mentor young entrepreneurs to ensure that they learn by experience and develop sound business principles facilitate entrepreneurship.
Bosma, Praag and Wit (2002) in their study emphasized the importance of social capital and highlighted that social factors such as family contact with entrepreneurs in networks, emotional support from spouse and boarding out of activities to others are the important determinants that has bearing upon the entrepreneurs. According to Paige and Littrell (2002) the term intrinsic criteria include freedom and independence, controlling a person’s own future, and being one’s own boss; whilst extrinsic outcomes are, among others, increased financial returns, personal income, and wealth. Both intrinsic as well as extrinsic criteria play a dominant role in entrepreneurial development.

Brynin and Schupp (2000) observed that the presence of role model or mentor can influence women in their decisions and choices of careers. It is one of the important factors that influence the entrepreneurs in their career path is their choice of a role model. Role models can be parents, brothers or sisters, other relatives, or other entrepreneurs. Successful entrepreneurs are viewed frequently as catalysts by potential entrepreneurs.

Andreas Rauch & Michael Frese (2000) found that the factors related to success are need for achievement, locus of control, low risk taking, human capital, planning and strategies, innovation, entrepreneurial orientation, and tough environmental conditions. Delmar, F. and Davidsson (2000) instituted that a large proportion of successful entrepreneurs have parents who themselves were self-employed. Henderson and Robertson (1999) in their study including the business students of Scotland and new employees at a major UK bank covering the age
group of 19-25 years, revealed that 67 percent of those studying entrepreneurship expressed a desire for self-employment, compared to 5 percent among the rest.

Sagie and Elizur (1999) in their study entitled, “Achievement motive and entrepreneurial orientation: A structural analysis”, aimed to measure the achievement motive among students regarded as having high and low entrepreneurial orientations, conducted among US students of small business and students of business and economics. Result of the study showed differences were found among four achievement components tested, with students of small business tending to score higher than their business and economic counterparts.

Matthews and Moser (1995) in a research study revealed the importance of parents or the other family members as a start-up owner of their own business. The presences of self-employed parents as well as relatives have positive impact of influences on their children’s, the implication of which is to go into business for them. Thus, self-employed parents and family members are probably important if they are perceived as successful. This has bearing both on the son and daughter of the family.

Hornaday and Aboud (1971) experimented that successful entrepreneurs rated above average on their need for achievement, self-reliance, competitiveness, initiative, confidence, versatility, perseverance, resiliency, innovation and physical health. Hornaday and Bunker (1970) found that the most important psychological factors judged by entrepreneurs to be related to success were the
energetic participation in the endeavour, self-confidence, desire for being one's own boss, achievement need, liking of work, common sense and tenacity.

Table No. 1.3: Sources of Entrepreneurial Motivation

The following table explained the sources and supply of motivation

<table>
<thead>
<tr>
<th>Researcher</th>
<th>Entrepreneurial phenomenon</th>
<th>Sources of entrepreneurial supply</th>
<th>Motive force or triggering factor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Schumpeter</td>
<td>Individual</td>
<td>Extraordinary individuals</td>
<td>Innate urge to achieve success</td>
</tr>
<tr>
<td>Weber</td>
<td>Status group</td>
<td>Extraordinary individuals</td>
<td>Religious beliefs</td>
</tr>
<tr>
<td>McClelland</td>
<td>Religious and social groups</td>
<td>Individuals with high n-achievement, creative</td>
<td>Child-rearing practices and climate</td>
</tr>
<tr>
<td>Hagen</td>
<td>Subordinated Groups</td>
<td>Individuals in the society driven by a duty to achieve</td>
<td>‘Status withdrawal’ and ‘relative social blockage’</td>
</tr>
<tr>
<td>Cochran</td>
<td>Individual</td>
<td>Society’s model, personality determined by its culture values, role expectations and social sanctions</td>
<td>‘social acceptance’ of entrepreneurial role</td>
</tr>
<tr>
<td>Young</td>
<td>Homogeneous</td>
<td>Relative subgroups (ethnic communities) occupational groups, or politically-oriented factions</td>
<td>Deviant view of the world strengthened by group solidarity</td>
</tr>
<tr>
<td>Kunkel</td>
<td>Group</td>
<td>Operant conditioning procedures in a society</td>
<td>Reinforcing stimuli and average stimuli</td>
</tr>
<tr>
<td>Hoselitz</td>
<td>Group</td>
<td>Culturally marginal groups</td>
<td>Gaining social recognition</td>
</tr>
</tbody>
</table>

Source: Rao, V.L: Industrial Entrepreneurship in India, pp. 85-86.

After reviewing a number of earlier studies, the researcher interacted with faculty members, industry experts, DIC & MSME officials, entrepreneurs; and also a pilot study was conducted to include the following motivational variables leading to entrepreneurial success in the proposed research.
Introduction

1. Family orientation towards business
2. Role model
3. Need for achievement
4. Need for power
5. Need for affiliation
6. To be independent / Don’t want to be in a routine job / want to be the own boss
7. Survival need / No other choice
8. Desire to help others / work for the society-nation
9. Family members are successful entrepreneurs
10. Friends are successful entrepreneurs
11. Relatives are successful entrepreneurs
1.3.2.3 Identification of Personality Traits Leading to Success

Trait means unique or distinguishing characteristics of somebody (Oxford Advanced Learner dictionary). Successful entrepreneurs often share certain characteristics and the earliest identified entrepreneurial characteristic was risk taking. David Z. and Edward B. (2011) found that entrepreneurs’ personal characteristics, such as need for achievement, need for recognition and internal locus of control, have positive influences on firm performance.

Zhang and Bruning (2011) in their paper proved that internal locus of control, have positive influences on firm performance. The data for the study were collected through a national survey of owners and senior managers of small- to medium-sized Canadian manufacturing companies. The result of data analysis indicates that entrepreneurs with higher levels of internal locus of control are more likely to adopt an entrepreneurial orientation than a market orientation.

Gelard and Saleh (2011) in their research paper emphasized that special personal attributes or characteristics like innovation, risk-taking, opportunity identification, self confidence, internal locus of control are necessary for starting a new business. The results also showed that from the five personality factors - innovation, risk, personal experience, health condition and opportunities identification, the innovation and risk have the most, importance from the view sight of the juries.
Pandey (2011) in his paper investigated, what determines entrepreneurial success by studying the characteristics of unorganized rural leather entrepreneurs of Uttar Pradesh in India. A questionnaire was constructed to collect data on various psychological factors from existing unorganized rural leather entrepreneurs of Uttar Pradesh (UP). A significant degree of performance variation has been found in terms of psychological characteristics, in the areas such as self efficacy, achievement motivation and average psychological aptitude for entrepreneurs in Uttar Pradesh. The study also revealed that the performance is significantly related to the questions relating to self efficacy and locus of control.

Zampetakis and Kanelakis (2010) conducted a study on opportunity entrepreneurship of Greece entrepreneur. A short, self-report questionnaire was administered to a random sample of 81 business owners located at a small town in Southern Crete, Greece. Bayesian confirmatory factor analysis and logistic regression analysis were used for data analysis. Findings of the study revealed that personality of the entrepreneur is significant predictors of opportunity entrepreneurship. It was observed that ‘entrepreneurial opportunity-oriented personality’ are characterised as high in creativity, intuition, optimism and risk-taking propensity. The study considered that individual differences are related to opportunity entrepreneurship and that context-appropriate policies and practices should be developed in order to promote rural entrepreneurship as a creator of jobs and a path to regional development.
Wenhong and Liuying (2010) assessed the impact of entrepreneurial thinking systems on risk-taking propensity and entrepreneurial behaviour. The study was conducted using a data set of 231 entrepreneurs in China. The data were analyzed through regressing models. The data analysis revealed that in China, the experiential system has a positive impact on risk-taking propensity yet a negative impact on entrepreneurial behaviour; however, the rational system has a negative impact on risk-taking propensity yet a positive impact on entrepreneurial behaviour.

Zhao W. and Fan L. (2010) found that the experiential system has a positive impact on risk-taking propensity yet a negative impact on entrepreneurial behavior; however, the rational system has a negative impact on risk-taking propensity yet a positive impact on entrepreneurial behaviour. Abdullah F. et al (2009) confirmed that eight factors are vital to the success of entrepreneurs. In rank order of importance, these factors are advancement drive, achievement oriented, commitment, decision-making ability, managing risk, tenacity, networking, and optimism.

Elenurm and Alas (2009) in a study reported that courage to risk, openness to new information, flexibility, creativity and determination were the features of successful entrepreneurs in Estonia. Tiit E. and Ruth A. (2009)-Courage to risk, openness to new information, flexibility, creativity and determination were the features of successful entrepreneurs in Estonia.
Robbin and Judge (2009) examined that entrepreneurs’ personality traits to have impact on business performance. Personality traits such as internal locus of control and ambiguity tolerance influenced the business success directly and the business process indirectly.

Noor H. et. al. (2009) found that there was strong evidence of association between entrepreneurial competencies and business success in Malaysia.

Kayhan Tajeddini & Stephen L. Mueller (2009) reveal that autonomy, propensity for risk, and locus of control are higher among UK successful techno-entrepreneurs while other characteristics such as achievement need, tolerance for ambiguity, innovativeness, and confidence are higher among Swiss techno-entrepreneurs.

Robbin and Judge (2009) examined that entrepreneurs’ personality traits have identified to have impact on business performance. Personality traits such as internal locus of control and ambiguity tolerance influenced the business success directly and the business process indirectly. It is believed that entrepreneurs take greater degree of risk especially in areas where they have control or competencies in realizing the profit. It is confirmed that entrepreneurs eagerly undertake the unknown and uncertain circumstances, thus the entrepreneurial inclined individuals are expected to display more tolerance of ambiguity than others.
Black et. al. (2009) analyzed the behaviour of e-business entrepreneurs nominated by the Ernst and young entrepreneur award group. The study revealed that qualitative factors are incrementally informative above and beyond the information provided by quantitative factors. The study highlighted the importance of innovative strategies for entrepreneurial success. More specifically, firms that are able to maintain their innovative strategies by improving upon the product (or service) they offer and are able to meet the long-term needs of the customer are more likely to experience increased sales growth and have greater access to capital which results in a successful harvest strategy.

Elenurm and Alas (2009) in a study reported that courage to risk, openness to new information, flexibility, creativity and determination were the features of successful entrepreneurs in Estonia. The Focus groups stressed that some success factors of an entrepreneur operating in Estonia in 2007 were more important than in the 1990s: broad world view, wide social network, innovativeness and creativity, lobbying in European Union (EU)-related structures.

Kader, Mohamad and Ibrahim (2009) in their study delved the important success factor perceived by the entrepreneurs were entrepreneurial quality. Entrepreneurial quality includes success factors such as good entrepreneurial behaviour and personal attributes namely innovativeness, hardworking, self-confidence and self reliance. These are innate qualities that differentiate an entrepreneur from a worker or manager.
Boyer (2008) in his study revealed that partnership, proof and clarity of innovative concept, business planning and marketing, triple bottom line planning, short and long term benefits management, community engagement and risk management are the critical success factors of entrepreneurs. It can be noted that if these success factors are in place, an enterprise is more likely to attract the necessary investment and financing to get the enterprise up and running. Business plans should demonstrate that the enterprise is establishing objectives, products and service lines; setting up supply chains; identifying revenue targets and the investment and financing requirements and marketing strategies to meet the targets.

Papzan et. al. (2008) found that there was a significant relationship between need for achievement, innovation, internal locus of control, marketing, and lack of bureaucracy and success of entrepreneurs. Simeon et al (2007) found no evidence to substantiate that entrepreneurs are more self-confident than non entrepreneurs and overconfidence is bad for success in business. Success as an entrepreneur is primarily determined by the individual’s smartness. According to Nandram S. & Samsom S. (2007), the main determinants of a successful entrepreneur are found to be- watchful to spot the opportunities, persuasive, goal oriented, self confidence, creativity, courage, trustworthy, ambitious, capacity for empathy, perseverance & locus of control.

Sammy King-faiHui et. al. (2006) observed that Self efficacy, Locus of control, Decision making and Risk attitude were responsible for success of entrepreneurs.
Melih Bulu (2005) revealed a number of factors including luck, hard work, good idea, and money which led to success. Viral Acharya et al (2004) in a comparative study of Assam and Uttar Pradesh found that success of an entrepreneur was significantly related to self-efficacy and locus of control for both states. James W. Carland et. al. (2004) indicated that older participants exhibited a lower level of risk taking propensity than did younger participants. Higher levels of education led to higher propensities for risk taking.

Ehigie and Umoren (2003) in their study considered self-concept, perceived managerial competence, work stress and business commitment are important psychological variables for perceived entrepreneurial success among female entrepreneurs. The results showed that although all the predictor variables jointly accounted for perceived entrepreneurial success only business commitment contributed significantly. But in the independent prediction of the variables, only self-concept and business commitment were significant. The study conclude that success for female entrepreneurs relies on a high self-concept regarding their role in business, commitment to business and reduction of a conflict between home responsibilities and business.

Desai (2001) revealed the important personality traits leading to the success of an entrepreneur. It includes emotional stability, personal relations, consideration and tactfulness. An entrepreneur must maintain good relations with his customers if he is to establish relations that will encourage them to continue to patronise his business. He must also maintain good relations with his employees if he is to
motivate them to perform their jobs at a high level of efficiency. An entrepreneur who maintains good human relations with customers, employees, suppliers, creditors and the community is much more likely to succeed in his business than the individual who does not practise good human relations.

Julien (2000) conducted a study on high growth SMEs and reported that success depends on the firms-capacity to manage change and reorganize their own shared management practices. For success in their business, the management should be experienced and communicative, both internally and externally, and its main tasks are to provide consistency through flexible planning and the sharing of a dynamic culture, and to seek out new business opportunities.

Mcclean (2000) suggested that achievement motivations linked with personal self-efficacy, self esteem, attitudes, optimism, hard-work, perseverance and high energy levels which all contribute towards business success. Andreas Rauch & Michael Frese (2000) argued that the most frequently studied personality characteristics were need for achievement, risk-taking, and internal locus of control. There is empirical evidence for a relationship between internal locus of control , need for achievement and business success. There is empirical evidence for a relationship between internal locus of control and business success, found a positive relationship between need for achievement and success of small-scale enterprises.

Timmons (1994) explored that risk taking propensity combines all factors dealing with risk including taking calculated risks, being realistic when
analysing opportunities, and spreading one’s risk. All these are said to be key factors that impact positively on entrepreneurship. According to Martin P. (1999), the characteristics most frequently associated with the success of the entrepreneurs are Innovation, Creativity, Persistence, Self-confident, Positive attitude, Problem solving, Need for independence, and Enjoy taking risks.

As reported by Van Praag C. M. (1999), the major traits according to Richard Cantillon are Alertness and foresight, Bear risk. And according to Alfred Marshall it is Good fortune, However, the father of entrepreneurship, Joseph Schumpeter propounded Leadership as the important trait of successful entrepreneur. Carland & Carland (1996) in their study suggests that entrepreneurs are not homogenous. They may well be characterized by need for achievement, preference for innovation and risk taking propensity.

Timmons (1994) in his research work examined more than 50 cases and found a consensus around eight general characteristics of entrepreneurs: commitment and determination, leadership, opportunity obsession, tolerance of risk, ambiguity and uncertainty, creativity, self-reliance and ability to adapt, and finally motivation to excel.

Kao (1991) in a study delved that small business owners are motivated to start a business on the basis of lifestyle or personal factors. The important success factors to small business owners are: total commitment, determination, and perseverance, drive to achieve and grow, opportunity and goal orientation, taking initiative and personal responsibility, persistent problem solving, realism and a
sense of humour, seeking and using feedback, internal locus of control, calculated risk taking and risk seeking, low need for status and power, integrity and reliability. Gartner (1990) conducted a survey and found that established ventures basically seek opportunities to reduce risk, spend more time on planning, encourage collaborative decision making and long term goals both at the strategic as well as operational levels.

After reviewing a number of earlier studies, the researcher interacted with faculty members, industry experts, DIC & MSME officials, entrepreneurs; and also a pilot study was conducted to include the following **personality traits leading to entrepreneurial success** in the proposed research.

1) Individual smartness / ability to recognize highly potential business opportunity
2) Creativity
3) Innovativeness
4) Self efficacy / Self Confidence / Self belief
5) Dedication & Hard-work
6) Internal locus of control / (believing that actions determine the rewards),
7) Risk taking propensity / Attitude towards risk / taking calculated Risk
8) Tolerance of Uncertainty / ambiguity
9) Sincerity and Commitment
10) Endurance / Continuing for long time
11) Good planning
12) Ability to make decisions
13) Flexibility / Adaptive to change
14) Goal oriented
1.3.2.4 Identification of Knowledge & Skills Leading to Success

Knowledge means facts, information, and skills acquired through experience or education; the theoretical or practical understanding of a subject. It also means awareness or familiarity gained by experience of a fact or situation. Skill means proficiency, facility, or dexterity that is acquired or developed through training or experience. Knowledge & skills play an important role in becoming successful entrepreneurs.

Yahya et. al. (2011) in their article attempted to analyze the contribution of entrepreneurs in terms of their management skills towards the success of small and medium enterprises (SMEs) in the services sector in Malaysia. Descriptive analysis, Pearson correlation, stepwise regression procedures and t-test were used to analyze the data. The empirical information resulted from analyzing the data obtained from the 186 entrepreneurs. The findings of data analysis revealed that high entrepreneurial success was associated with high business operating skills, skills to obtain market share that suits their size and capability and skills to offer more special services.

Dionco-Adetayo in a study discussed the issues of management skills and demonstrates an efficient and effective conduct of the management functions on planning, organizing, staffing, directing, and controlling in the field of entrepreneurial development. The result of the study provide an understanding that the respondents averagely (mean score = 3.982) performed the management functions. A high score of 4.383 is depicted for their ability in organizing. This
showed their skills in coordinating human and material resources, the ability to establish structure of roles for workers in order to create an environment for human performance.

Mehralizadeh and Sajady in their paper listed the issues which were important on the high performance in business. The issues were suitable managing technical skills, selecting appropriate personnel with relevant skills, education and paying more attention to personnel training, application of management conceptual skills and the like. Makhbul (2011) in his study emphasized the significance of communication skill as well as leadership skill of the entrepreneur. The ability of entrepreneurs to access information, their leadership styles have sound bearing in entrepreneurial development. Yet, entrepreneurs’ ability to seize relevant information is found to be the most significant factor contributing to their success.

Naqvi (2011) in his research report enlisted the main key factors of success of SMEs of Bahawalpur. The important determinants of success among others include improved customer service, technical know-how of the business and the past experience of the manager and the like. Zampetakis and Kanelakis (2010) in their study emphasized that prior knowledge of the people and level of education are significant predictors of opportunity entrepreneurship. It was revealed that rural entrepreneurs with high score on prior knowledge expressed as prior knowledge of markets, prior knowledge of ways to serve markets, and prior knowledge of customer problems are more likely to start their business because
of an opportunity. It can be noted that prior knowledge of markets, prior knowledge of ways to serve markets, and prior knowledge of customer problems are the pre-requisite of the successful entrepreneur.

Cohoon, Wadhwa and Mitchell (2010) in a research article revealed that both men and women entrepreneur rated their prior industry and work experience as very important factor in determining their start-ups’ success. Both male and female entrepreneurs rated experience highest, with lessons learned from previous successes and failures rated slightly less important. In addition to experience, human capital in the form of a University education was rated, on average, important to very important.

Black et. al. (2009) conducted a study on e-business entrepreneurs and discussed the importance of innovative products and services. It revealed that firms that are able to maintain their innovative strategies by improving upon the product (or service) they offer and are able to meet the long-term needs of the customer are more likely to experience increased sales growth and have greater access to capital which results in a successful harvest strategy.

Boyer (2008) et. al. in a study emphasized leadership as the critical success factors for the entrepreneurs. It is the commitment and continuity (able to sustain involvement for the long haul) of one or two individuals to lead and coordinate the enterprise is essential. The enterprise leader should map the key relationships
required for the attainment of objectives, and monitor on a regular basis how these relationships are serving the enterprise.

Dickson, Solomon and Weaver (2008) in their findings suggested strong evidence supporting the relationship between levels of general education and several entrepreneurial success measures. The findings of the study linking specific programs of entrepreneurship education to entrepreneurship, although ambiguous, suggest a positive link between such education and both the choice to become an entrepreneur and subsequent entrepreneurial success.

Hulsing (2008) in a study identified specific leadership characteristics that differedenced successful entrepreneurs from those starting entrepreneurial endeavours. The data analysis revealed that an accepted contemporary leadership model might support programs targeting entrepreneurial success rate enhancement.

Mehmet Turan & Ali Kara (2007) explored that demographic and business information, motivations, entrepreneurial characteristics, personality characteristics and management skills influence entrepreneurs’ success. Markman (2007) in a research findings pointed out that, entrepreneurs are those who possess the knowledge, skills, and abilities to be a strategic leader for their ventures, in which their actions influence the ventures’ success. The entrepreneurs formulate strategy, recognise opportunities, and transmute these opportunities into business success.
Rose, Kumar and Yen (2006) in their study emphasized the importance of human capital. Human capital is considered as passive approach (where individuals simply reacting to the environment according to what they possessed). Human capital is the theory concerned with knowledge and capacity; this includes the education level, industry experience and management experience. Human capital contributes to business start-ups and venture growth.

Ibro, Fulton and Lowenberg-DeBoer (2006) did a survey on Kosai, a deep-fat fried fritter made from cowpea. Kosai is sold as street food almost exclusively by women entrepreneurs who use the money they earn from selling kosai on savings and daily expenditures for their family. The primary data was collected, via personal interviews, with about 400 vendors in three different cities in the West African country of Niger. The result of data analysis revealed that vendors with more experience were more likely to be successful.

Gideon D. & Robert A. Baron (2003) suggests that to the extent entrepreneurs are high on a number of distinct individual-difference dimensions (e.g., self-efficacy, ability to recognize opportunities, personal perseverance, human and social capital, superior social skills) the closer will be the person–entrepreneurship fit and, consequently, the greater the likelihood or magnitude of their success. Bosma, Praag and Wit (2002) in their research work advocated the importance of human capital and revealed that high as well as professional education, previous experience of a particular sector, trade, experience as an employee; self-
employment as well as financial experience played a major role in entrepreneurial success.

Guzman & Santos (2001) explored that greater the entrepreneurs previous experience, the higher will be the entrepreneurial success. According to Desai (2001) communication skill is the ability to communicate effectively. Good communications means that both the sender and the receiver understand each other and are being understood. An entrepreneur who can effectively communicate with customers, employees, suppliers and creditors will be more likely to succeed than the entrepreneur who does not. It also highlighted that an entrepreneur must have a reasonable level of technical knowledge. It is one’s ability that most people are able to acquire if they try hard enough. An entrepreneur who has a high level of administrative ability, mental ability, human relations ability, communication ability, and technical knowledge stands much better chance of success than his counterpart who possesses low levels of these basic qualities. Brilliant men with first class degrees from Universities shy away from becoming entrepreneurs because the one thing they cannot taught is coping with human emotions.

Andreas Rauch & Michael Frese (2000) identified entrepreneur’s level of education, his industry specific experience, and his management experience to be related with success. Delmar, F. and Davidsson (2000) indicated that interest in owning a small business increases with work experience in small business. As regards education, most studies indicate a positive effect on self-employment, at
least for low versus intermediate levels of education. Fielden (2000) in a study reported that knowledge, skills and experience are very crucial to enterprise survival while experience from previous job, and on the job experience were key factors in enterprise duration, growth and survival.

Richter and Kemter (2000) in another study discussed the factors that determine the success of small businesses. The study compared successful and less successful organizations. Among the criteria for success are the change in the number of employees since the firm was established, market share, the valuation of economic development and sales issues. It was found that, having the ability and competency to control and plan the whole business is an important management skill for business success. The study also stated that more successful business owners have good management skills by offering a special service and paid attention to quality and design of their products or services. Cooperation with similar companies, a flat organizational structure, delegating responsibility and nurturing management capabilities are also important management skills that determine business success.

Van Praag C. M. (1999) reported some important earlier works and their finding as: Jean-Baptiste Say’s judgement, perseverance, knowledge of the world, business and occupation. Alfred Marshall- Intelligence, general ability (dependent on family background and education) Knowledge of the trade, Bear risk, Leadership, Own capital. Frank Knight’s - Ability to obtain capital
Willingness/ motivation are the important characteristics of successful entrepreneurs.

Hess (1997) did a study covering the entrepreneurs of Singapore, Jamaica and the United States observed that marketing factors (such as good service, ability to cater to customer satisfaction, ability to look for market opportunities, advertising and sales promotion) are the most critical elements in the success of small businesses. McDale (1998) in a study conducted in Ghana assured that, entrepreneurs required various types of assistance for their success. The contributing factors to business success among others include the following:

- The management skills for instance applying for a business loan,
- Marketing of their products, and
- Innovation in their products.

In a study conducted by Javed G. and Jonathan M. (1996) it was found that over half of interviewees started a business in a sector in which they had prior experience, knowledge or skills. Rosener (1990) in a study found that women are more likely than men to use transformational leadership, for instance, motivating others by transforming their self-interest into goals of the organization. It was also noted that women are much more likely than men to use power based on charisma, track record, and contacts (personal power) as opposed to power based on organizational position, title, and to reward and punish (structural power).
Huck and McEwen (1991) conducted a study on small business owners in Jamaica, to measure the skills required for becoming successful entrepreneur. The findings of the study highlighted that three important skills are required.

- Efficient administration,
- Careful planning and budgeting and
- The marketing/sales active.

Out of these three management skills, efficient administration was specifically referred to as the frequency of maintaining financial records, human relations skills and setting clear goals and objectives.

Apostilidis (1977) in a study highlighted six important features for successful entrepreneurs. These six features were related to management skills. The important characteristics a successful entrepreneur must have include the ability to detect and respond quickly to market changes and the appropriate changes in buying habits, having an attractive product range, to gain market share which is in accordance with the firm’s size and ability, to have sufficient capital, possess management expertise and create a master plan for growth. All these business management skills are essential to the success of entrepreneurs.

After reviewing a number of earlier studies, the researcher interacted with faculty members, industry experts, DIC & MSME officials, entrepreneurs; and also a pilot study was conducted to include the following ‘knowledge & skills’ leading to entrepreneurial success in the proposed research.
1) Professional education
2) Communication skills
3) Product knowledge
4) Technical skills
5) Selling skills
6) Acquiring timely information
7) Understanding customer needs
8) Team management
9) Leadership skills
10) Utilizing skilled manpower
11) Previous experience
1.3.2.5 Identification of Economic & Environmental Variables Leading to Success

Economic Factors are the set of fundamental information that affects a business or an investment's value. For a business, key economic factors include labor costs, interest rates, government policy, taxes and management. Business environment refers to different forces or surroundings that affect business operations. Such forces include customers, competitors, suppliers, distributors, industry trends, substitutes, regulations, government activities, infrastructures, the economy, demographics, and social and cultural factors, innovations and technological developments. Economic Environment are the economic factors that have effects on the working of the business. It includes system, policies and nature of an economy, trade cycles, economic resources, level of income, distribution of income and wealth.

Indarti and Langenberg in an article observed that marketing, technology and capital access affect the business success in a positive way significantly while legality does it in a negative direction. The study suggests that to be successful SMEs, the owners of the SMEs should pay more attention to improve marketing strategy, to advance technology, and to get capital access.

Naqvi (2011) conducted a study to highlight the critical failure and success factors in SMEs of Bahawalpur. The dominant failure factors were considered are lack of access to financial capital, inappropriate government structure and poor infrastructure as well as corruption. Thus, success of SMEs dependent on free
access to financial environment, strong government structure and support, robust infrastructural facilities and honesty.

Munikrishnan and Veerakumaran (2011) explored the business success factors of budget hotels in Klang Valley. The result of Pearson Product-Moment correlation coefficient indicated that contextual variable, size of business and access to capital has a positive relationship with a p-value of less than 0.05. Moreover, the result of regression analysis indicated that a contextual factor, size of the business and access to capital does positively influence the perceived business success of the entrepreneur of Klang Valley.

Ahmad et. al. (2010) in their study evaluated the effect of entrepreneurial competencies and the moderating effect of business environment on business success in small and medium sized enterprises (SMEs) in Malaysia. The sample size of the study was limited to 212 Malaysian SME owner-founders and structural equation modelling (SEM) procedures were used for data analysis. The findings of the study showed that entrepreneurial competencies were strong predictors of business success in SMEs in Malaysia. It was also found that the association between entrepreneurial competencies and business success was more strongly evident in hostile and dynamic environments than in more benign and stable environments.

Simon et. al. (2007) investigated that social network do not play a significant role in determining success once the business starts operation whereas smartness and
the human capital of the father are the most important explanatory variables. Mehmet Turan & Ali Kara (2007) in their findings suggest that freedom to make decisions, the chance of achieving a relatively higher financial gain and some environmental factors were important achieve success. Al-Mahrouq (2004) in a survey report showed that plant size are an important factor in plant growth, which means that the smaller firms grow at faster rates in comparison with their larger counterparts.

Mazzarol and Choo (2003) emphasized that legality or law and order play a dominant role in SMEs survival and growth. The legal aspect is considered in selection operating decision in order to ensure future business success. In this backdrop, Duh (2003) in a study found that unsuitable legislation is the major obstacles faced by Slovenian SMEs. Gideon D. & Robert A. Baron (2003) suggest that there are many factors—including market forces, industry trends, new technological discoveries, and so on—interact in complex ways to ultimately determine the success of entrepreneurial firms. Robb (2002) in his study examined both venture and entrepreneurial characteristics and have found that access to capital, the degree of novelty, location, and stability with key stakeholders have contributed to the success and initial survivability of small businesses.

Bosma, Praag and Wit (2002) highlighted the importance of financial capital of entrepreneur and reported that various financial capital such as amount of
income, financed with own capital, contribution by business partners, loan from family members and friends are the important ingredients of business success.

Kreft (2001) in a study made an attempt to highlight the necessity of access to capital or early finance. It is true that at the start-up or any growth stage, identifying sources of potential capital is one of the major issues that entrepreneurs all over the world must face as they start their businesses. Without this capital, an entrepreneur is lacking essential resources necessary for success. The study lists eight core elements of an infrastructure necessary for supporting entrepreneurship. Of these eight core elements, six related to an entrepreneur’s ability to access capital. The study concludes that access to capital plays a pivotal role in entrepreneurial success.

Tustin (2001) emphasized the importance of location of the business organization. Geographic location has its implications for access to markets and other resources like finance, skilled labour, subcontractors; infrastructure, distribution & transport logistics and other facilities. SME success basically depends on neighbourhood appearance and continued/maintained future business operations of that particular location.

Davis & Henreksson (1999) and Henreksson & Johansson (1999) in two separate studies discussed the role of economic policy environment as determined by business taxes, employment security laws, credit market regulations, the national
pension system, wage-setting institutions and the size of the public sector. The implication of study is that all the factors have robust bearing on entrepreneur to grow in a systematic way.

David G. & Andrew J. (1998) tried to test the impact of finance-constraint on entrepreneurial success. The key test in this study shows that, all else equal, people with greater family assets are more likely to switch to entrepreneurship from employment. Bruderl and Preisendorfer (1998) recommended that the use of traditional financial measures of success, such as profitability, sales turnover, and return on investment, is paramount in gauging the extent to which a firm is successful or not. It can be concluded that organizations to be considered successful, it is important for them to generate income and increases in profit, and to demonstrate some level of growth, as indicated in their sales and income.

Miller and Dess (1996) classified the external environment of the enterprise under two broad headings namely, general and competitive environments. The general environment consists of the political-legal, macro-economic, socio-cultural, technological, demographic and global factors that might affect the organization’s activities. On the other hand, the competitive environment consists of other specific organizations that are likely to influence the profitability of the enterprise, such as customers, suppliers and competitors. The success of SMEs is highly dependent on the interrelationship of the three strategic factors: entrepreneur characteristics, enterprise factors and the external environment.
Hall and Fulshaw (1993) revealed that growth indicates long-term achievement, whereas profitability reflects short-term achievement. Even though some argue that not all small firms aim for growth because for some entrepreneurs, success simply means survival or sustaining the business that they have created this group asserts that even if growth is not considered important, survival in business also requires a firm to be financially viable. Researchers following this path have perhaps been influenced by the notion that “businesses are only viable if they are financially solvent”.

After reviewing a number of earlier studies, the researcher interacted with faculty members, industry experts, DIC & MSME officials, entrepreneurs; and also a pilot study was conducted to include the following *economic & environmental variables leading to entrepreneurial success* in the proposed research.

1) Location of business
2) Access to early finance
3) Sufficient amount of money to invest in business
4) Law & order
5) Transportation facilities
6) Power supply
7) Tax exemptions
8) Access to latest technology
9) Competitive pricing
10) Access to market channels
11) Access to Business Association


1.3.2.6 Identification of Support Variables Leading to Success

Many researchers are of the opinion that entrepreneurs support system also plays significant role in becoming successful. Gelard and Saleh (2011) in their work showed that environmental threats and opportunities have important impact upon the Iranian entrepreneurs. There are many environmental threats and opportunities in Iran. The study recommended that, by knowing political, regulation, governmental and non-governmental supportive organizations and social networks; successful entrepreneurs can overcome environmental threats and take benefit from environmental opportunities, investment affairs and informational recourses.

Al-Mahrouq (2010) in an empirical study identified the main factors that mostly used to reflect the success of Jordanian small and medium-sized enterprises. The data used in this study were provided by financial institutions that provide loans to the SMEs. The analysis is based on the results of the questionnaire survey that was distributed to the sample firms that includes 163 firms distributed over the main three sectors (Services, Manufacturing and Retail) and the three main governorates (Amman, Zarqa and Irbid). The descriptive statistical technique of factor analysis has been used for analysing data. The results of the survey point out a set of five factors separately identifiable factors that have positive and significant impact on the success of the sample firms. These factors, when ranked in their order of importance are as follows: technical procedures and technology, structure of the firm, financial structure, marketing and productivity and human resources structure.
Kader, Mohamad and Ibrahim (2009) discussed the impact of government support towards entrepreneurial development. The study report delved that government assistance in training and extension services - the types of training needed by the entrepreneurs in order to succeed were training in entrepreneurship, marketing, quality management, basic accounting and technical skills. Advisory services, business information and technical knowledge were also rated highly by the respondents. The study also delved that an environment conducive to small businesses to succeed depends on the domestic economic conditions and policies which refer to incentives and regulations that facilitate small business growth. Such enabling environment can only be provided by the government which further implies the importance of government support for rural entrepreneurs to succeed.

Campbell and Nardi (2009) did a study on nascent entrepreneurs of 590 individuals. The study revealed that most of the individual have already made personally significant investments of time and money in their firms. For about half of them, these investments have yielded a fully specified product. The most substantial sources of seed money are their own savings and loans from family and friends. A small minority of nascent entrepreneurs have applied for formal business loans, and only half of those applications have been approved. Indarti and Langenberg in their study recommended that interested parties such as government agencies, universities, and business service development (BDS) should give assistances and guidance in the fields such as marketing, technology
and capital access for the development of SME success. The study also recommended that simplification of bureaucracy and deregulation of legal aspects are required to foster the development of the SMEs in Indonesian context. The Characteristics of entrepreneur are Age, Gender, Work experience, Education. Contextual variables are Marketing, Technology, Information access, Entrepreneurial readiness, Social network, Legality, Capital access, Government support and Business plan.

Kim, Weinstein, Shirley and Melhern discussed about a Comprehensive Model of Global Entrepreneurship and described the factors that comprise this model. These factors include access to capital, governmental support systems, political and economic systems, private sector support systems, entrepreneurial education, trade associations, internal and external environment; infrastructure, and socio-cultural environment. Most attention is given to access to capital because it is so important to financial needs to start-ups and growing entrepreneurial ventures.

Mahajar and Mohd Yunus (2006) in their study evidenced that external factors generally examined the role of government in creating an environment that is conducive to smaller business success. The major impediment to success among SMEs is the unavailability of various forms of support, such as financial and training support. Areas that have been researched include: government funding policy and the provision of basic infrastructure and protection against competition from big business education and training programmes and the provision of soft loans and government export assistance.
Cull (2006) discussed the importance of Youth Business International (YBI) as a mentor for entrepreneurs. Youth Business International (YBI) has helped a significant number of young entrepreneurs through its network of business programmes worldwide. It provides young people, who have little more than a bright idea and the determination to succeed, with a start-up loan and the services of a volunteer mentor. The study report showed the nature of the relationship is affected at three critical phases: start-up, midpoint and end-point. The results also showed that mentors are required to use an approach towards entrepreneurs that reduces dependency and increases self-confidence.

The GEM Project (2006) reported that an entrepreneur’s personal funds serve as the primary source of financing start-ups throughout the world. The report interpreted that 62% of the entrepreneurial start-up funds were provided through self-funding. Hussain, Millman and Matlay (2006) in their research findings delved the sources of start-ups of China’s small entrepreneurs. The greatest sources of capital coming from personal savings, family and close and friends. Chinese entrepreneurs seldom rely on bank loans for their start-up capital.

Irwin (2006) in a study mentioned that government policies are crucial in creating an environment that enables entrepreneurial business to flourish. It is essential for governments to do everything possible to improve the environment for business; not just in terms of simpler and more transparent regulation, but including tax policies, labour laws, understandable and fair property rights and the ability to
enforce contracts. These governmental roles have a dramatic effect on entrepreneurial activity. Depending on the governmental support systems in place, a potential entrepreneur may be more or less likely to start a business in the market. A government's role in supporting entrepreneurial activities can be looked at from two different views. The first role of government is the regulatory environment it creates. The second role is in developing programs to help increase the level of entrepreneurial activities nationally and internationally.

Yunus M. & others (2006) in their study evidenced that external factors generally examined the role of government in creating an environment that is conducive to smaller business success. The major impediment to success among SMEs is the unavailability of various forms of support, such as financial and training support, family & peer group support. Clover and Darroch (2005) noted that access to public physical infrastructure services for instance water, electricity, serviceable roads, telecommunication, telephones, electronic media and postal services which are all crucial for business start-up, development and growth. But research evidence proved that access to public infrastructure services is a major constraint to SME survival and growth.

Djankov (2005) emphasized the role of institutions, the role of social networks and the role of personal characteristics plays an important role in becoming success. having entrepreneurs in the family and among one’s friends – appear important. Dionco-Adetayo (2004) in a study, advocated that a business is a part of the larger systems like the industry where it belongs, economic system, and the
society. It could be either direct or indirect. Direct elements like the government agencies, financial institutions and the indirect elements like technology, economy and infrastructure, political and legal are influencing the business operations. Technical and financial factors are among those that scored high with a mean score of 4.256 and 4.255 respectively. The rest like infrastructure in communication and transportation have averagely influenced the performance and growth of the small firms. Government trade policies have also averagely influenced the success of the firms.

Carrier (2004) et al. opined that the success of entrepreneurs is influenced by support from others, which can be in the form of formal and informal support. Formal support comes in the form of financial, technology, and strategic partnerships or industrial contacts. Levent et al (2003) opined that informal support may come from personal and community-based networks.

Kuratko and Hodgetts (2004) reported some development that has occurred over the last decade help account for the growth and success of entrepreneurial business start-ups. The various supportive measures are discussed under the following headings:

- The financial community has established loan funds and training programs for women business owners and women's entrepreneurial initiatives. These efforts have contributed to growth in the number of women-owned firms.

- Public and private agencies have established training and technical assistance programs for women business owners. These programs have
provided women entrepreneurs' with the tools they need to grow their businesses and make them more successful.

- Policymakers have undertaken initiatives that foster continuing growth of women-owned businesses.
- Educational institutions are creating new opportunities for women who are interested in entrepreneurship.
- Corporations have developed national and global marketing initiatives to better meet the needs of women business owners and to provide them with the products and services needed to expand their businesses.
- Organizations around the world have established for and systems of collecting data on the growth and economic implications of entrepreneurship by women in particular countries.
- Hundreds of media articles and television/radio broadcasts each year feature news about the accomplishments, and challenges of businesses ownership by women.
- Women business owners themselves are inspired and empowered by research findings.

Tustin (2003) conducted a study on SMEs and findings emphasized that the availability of appropriate economic resources is important for business development. It helps SMEs to secure the necessary expertise and raw materials to put entrepreneurial ideas into practice, to be competitive, to survive during unfavourable conditions and to grow. But empirical research proved that lack of capital and limited access to finance is a major factor
inhibiting entrepreneurship and influencing growth negatively, as it impedes the progress that comes from timeouts application of resources (Pretorius and Shaw, 2004).

McElwee and Al-Riyami (2003) enlisted that family support and encouragement usually has a positive influence upon women entrepreneurs, both to venture and progress in their business.

Elenurm (2001) in a study analyzed the export training needs of Estonian SMEs and came to the conclusion that many entrepreneurs that started subcontracting for foreign clients did not pursue an active internationalization strategy, but were found by foreign entrepreneurial business people who visited Estonia. Small entrepreneurs in wood, furniture and clothing industries saw finding additional foreign partners and legal issues in foreign trade as a top priority, but knowledge in fields such as export strategy, export development planning and market research were seen as low priority due to the limited organisational and financial capabilities of such companies.

Skuras and Tzamarias (2000) pointed out that in recent days the European Union (EU) has been providing an institutional framework for the support of entrepreneurship in rural contexts. Such supportive frameworks include not only financial assistance for example, subsidized interest rate commercial loans and non-financial assistance as well (i.e. assistance with the procedures of business
start up, marketing of produced goods and services, access to modern technologies, etc.).

Niels Bosma et. al. (2000) explored the emotional support of the spouse make about 80% more profit than their counterparts having to do without this support.

Sarder, et al. (1997) conducted a study of 161 small enterprises in Bangladesh and found that firms receiving support services, such as marketing, management education and training, technical, extension and consultancy, information, and common facilities from the public or private agencies experienced a significant increase in sales, employment and productivity.

Javed G. and Jonathan M. (1996) reported that two thirds of interviewees obtained advice from family and friends, while just over a third had completed any kind of training or course. Covin and Slevin (1991) in a study suggested that the organisational variables that could affect a firm’s performance include the organisation’s resources and competencies, the organisation’s culture, and the way in which the organisation is structured. They argue that the availability of organisational resources and competencies such as “monetary resources, plant and equipment, personnel, functional-level capabilities (e.g. manufacturing flexibility), organisational-level capabilities (e.g. ability to get a new product to the market in a timely fashion), and organisational system (e.g. marketing research systems)” can all enhance the likelihood of a firm succeeding.
Wong (1988) in a study found that Chinese entrepreneurs in Hong Kong excelled in their businesses due to the practice of ‘familism’, that involves the role of kinship ethnicity, and territorial background, which brings the entrepreneurs closer to each other, and consequently becomes barriers to entry for others who are not from the group. Finally, support for entrepreneurs can also come in the form of mentoring.

After reviewing a number of earlier studies, the researcher interacted with faculty members, industry experts, DIC & MSME officials, entrepreneurs; and also a pilot study was conducted to include the following *support variables leading to entrepreneurial success* in the proposed research.

1) Family support
2) Friend circle / Peer group support
3) Government support for subsidy
4) Government support for supply of raw material & selling of products
5) Government support for providing technology & quality testing
6) Institutional support for training / entrepreneurial orientation
1.3.3 Methodology Used by Earlier Researchers

<table>
<thead>
<tr>
<th>Researcher(s)</th>
<th>Topic of the Study</th>
<th>Methodology Used</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adegbite et al. (2007)</td>
<td>“Evaluation of the impact of entrepreneurial characteristics on the performance of small scale manufacturing industries in Nigeria”</td>
<td>Random sampling, questionnaire method, descriptive and inferential statistic correlation analysis, regression analysis by using SPSS.</td>
</tr>
<tr>
<td>Ahmed at al. (2010)</td>
<td>“Is entrepreneurial competency and business success relationship contingent upon business environment? A study of Malaysian SMEs”</td>
<td>Sampling technique, structural equation modelling (SEM), percentage, CFA model, Descriptive statistics and zero-order correlations, chi-square test etc. were used.</td>
</tr>
<tr>
<td>Ahmed at al. (2011)</td>
<td>“Assessing the Dimensionality of Business Success: The Perspectives of Malaysian SME Owner-Managers”</td>
<td>Simple random sampling, questionnaire survey, Cranach’s alpha confirmatory factor analysis, likert type scale, goodness of fit, second-order factor analysis, descriptive statistics, zero-order correlation etc were used.</td>
</tr>
<tr>
<td>Al-Mahrouq, M. (2010)</td>
<td>“Success factors of small and medium-sized enterprises (SMEs): Thw case of Jordan”</td>
<td>Representative sample, questionnaire method, likert scale, descriptive statistics such as mean, standard deviation, percentage method etc.</td>
</tr>
<tr>
<td>Alstete (2008)</td>
<td>“Aspects of entrepreneurial success”</td>
<td>Qualitative research, interview method, later inductive analysis etc. were used.</td>
</tr>
<tr>
<td>Burke, Roy and Nolan (2008)</td>
<td>“What makes a die-hard entrepreneur? Beyond the ‘employee or entrepreneur’ dichotomy”</td>
<td>Survey method, percentage, mean, standard deviation, frequency and standard econometric methodology were used.</td>
</tr>
<tr>
<td>Carraher, Buchanan and Puia (2010)</td>
<td>Entrepreneurial Need for Achievement in China, Latvia, and the USA</td>
<td>Sample survey, percentage method, correlations, multiple regressions were used.</td>
</tr>
<tr>
<td>Gelard and Saleh (2011)</td>
<td>A model for select best entrepreneurs in Iran</td>
<td>Model validation, calculating factors weight and marks, one-sample test were used.</td>
</tr>
<tr>
<td>Author(s) (Year)</td>
<td>Study Title</td>
<td>Methodology</td>
</tr>
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<tr>
<td>Haynes (2003)</td>
<td>Differences among entrepreneurs “Are you experienced?” may be the wrong question</td>
<td>Simple random sampling, structured questionnaire, telephonic interview, t-test and ANOVA test.</td>
</tr>
<tr>
<td>Hui, Csete and Raftery (2006)</td>
<td>Factors involved in the success of Hong Kong construction and property entrepreneurs</td>
<td>Qualitative research, structured questionnaire, in-depth interview with six construction entrepreneurs.</td>
</tr>
<tr>
<td>Hussain and Yaqub (2010)</td>
<td>Micro-entrepreneurs: Motivations Challenges and Success Factors</td>
<td>In-depth interview with 26 micro-entrepreneurs, multiple case study method, data were coded by using Emergent Coding method.</td>
</tr>
<tr>
<td>Islam, Khan, Obaidullah and Alam (2011)</td>
<td>Effect of Entrepreneur and Firm Characteristics on the Business Success of Small and Medium Enterprises (SMEs) in Bangladesh</td>
<td>Survey research, structured questionnaire, Cronbach’s Alpha for reliability test, mail and personal delivery, 5-point Likert scale, data were analysed through SPSS, descriptive analysis, independent sample t-test, and ANOVA test.</td>
</tr>
<tr>
<td>Kader, Mohamad and Ibrahim (2009)</td>
<td>Success factors for small rural entrepreneurs under the One-District-One-Industry programme in Malaysia</td>
<td>Sample survey, stratified random sampling method, structured questionnaire, five-point likert scale, descriptive analysis, factor analysis.</td>
</tr>
<tr>
<td>Saleem and Abideen (2011)</td>
<td>Examining success factors: Entrepreneurial approaches in mountainous regions of Pakistan</td>
<td>Survey method, structured questionnaire, likert-scale, focus group meetings, reliability checking, percentage, frequency, cumulative percentage, regression and correlation, exploratory factor analysis, confirmatory factor analysis and ANOVA by using SPSS.</td>
</tr>
</tbody>
</table>

Source: Compiled from Research Articles
1.4 Research Gap
From the review of past studies it has been revealed that the entrepreneurs are not homogenous and the determinants of successful entrepreneurs vary from place to place as well as time to time. It is very difficult to get a worthy evidence of study explaining the determinants of entrepreneurial success in the context of Assam especially with reference to food processing entrepreneurs. In fact the aforesaid gap provides a rationale to our endeavor of conducting the proposed study- “Determinants of entrepreneurial success in MSME sector: A Study in the context of food processing industry in Assam”.

1.5 Research Objectives
The main objective of the study is to find out the important determinants of entrepreneurial success in the context of food processing industry in Assam.

The specific objectives of the study are given below:

1) To examine the important **Demographic Variables** leading to success of entrepreneurs

2) To determine the important **Motivational Variables** of entrepreneurs and their relationship with the level of success.

3) To identify the important **Personality Traits** of the entrepreneurs and their association with the level of success.

4) To find out the important **Knowledge & Skills** of entrepreneurs contributing to success and their relationship with the level of success.

5) To identify the important **Economic & Environmental Variables** of the entrepreneurs and to assess the impact of environmental variables on the level of success.
6) To verify the important **Support Variables** of the entrepreneurs and their relationship with the level of success.

### 1.6 Hypotheses of the study

The null hypotheses governing the proposed study are given below –

1. There is no significant relationship between motivational variables and the level of success of entrepreneurs.

2. There is no significant relationship between personality traits and the level of success of entrepreneurs.

3. There is no significant relationship between knowledge & skills and level of success of entrepreneurs.

4. There is no significant relationship between economic & environmental variables and the level of success of entrepreneurs.

5. There is no significant relationship between support variables and the level of success of entrepreneurs.

### 1.7 Research Methodology

#### 1.7.1 Type of Research

The type of research followed here is descriptive in nature.

#### 1.7.2 Sources of Data

The study is based on primary & secondary sources. The primary data are collected directly from the selected entrepreneurs by serving structured questionnaire. Secondary data are collected from published reports of government and semi-government bodies.
1.7.3 Universe of the study

The universe of the study consists of all the successful food processing entrepreneurs in the MSME sector of Assam.

1.7.4 Sampling Design

For the purpose of this study, entrepreneurs are defined as individuals who had established and actively managed a business. The type of sampling used is multistage sampling. For the purpose of sampling, the entire Assam is divided into four (4) geographical clusters namely; North Assam – comprising of 5 districts, South Assam –comprising of 5 districts, Upper Assam –comprising of 7 districts and Lower Assam –comprising of 6 districts. From each cluster, one district is chosen by using simple random sampling method with the help of Microsoft Excel. The appropriate sample size of 85 numbers is calculated out of 756 successful units using sample calculation software at 95% confidence level and 10% confidence interval. Finally, representing samples from each selected district is picked up proportionately representing different segments /types of food processing units.

The Details of sampling / sample units is given in the Appendix

1.7.5 Data Collection Period & Method

The primary data are collected directly from the selected entrepreneurs by serving structured questionnaire during April 2012 to Mid April 2013.
1.7.6 Measurement of Level of Success

Success of the entrepreneurs is measured by success of the firm. In the present study, level of success is measured in terms of sales growth over last three years. The compounded annual growth rate of 85 entrepreneurs are normalized to arrive at three linear intervals namely low level success = 0 to 33.33%, moderate level success = 33.33% to 66.66% and high level success = 66.66% to 100%.

1.7.7 Instruments of Measurement used in this Study

A structured questionnaire is developed containing well-structured statements, entrepreneurs profile and firm profile. The questionnaire is divided into 5 sections – Motivation, Traits, Knowledge & Skills, Economic & Environmental, and Support. Pilot study was conducted before finalizing the questionnaire. With reference to 53 variables, 53 positive statements are made and measured on the five point ordinal scale that is strongly agree, agree, neutral, disagree and strongly disagree. Ultimately score of 5, 4, 3, 2, 1 are assigned corresponding to degree of agreement.

1.7.8 Reliability of the Instruments

Reliability test is carried out for the entire questionnaire and the cronbach’s alpha is found to be 0.757 which indicates the overall reliability of the scale. Section wise reliability of the scale is given below:

(a) The motivation section contains 11 positive statements as under-

1) It is my family orientation that drives me towards business

2) I follow someone who is my role model in business
3) I always wanted to achieve something in my life
4) I always wanted to see that people listen to me
5) I thought that I would get more respect from society if I establish my own business
6) I wanted to be independent
7) I had no other choice for Survival.
8) I always had a desire to help others
9) my family members are successful entrepreneurs
10) my friends are successful entrepreneurs
11) my relatives are successful entrepreneurs

The cronbach’s alpha of motivation section is found to be 0.631 which indicates the reliability of the scale used.

(b) The Trait section contains 14 positive statements as under-

1) I have the ability to recognize highly potential business opportunity
2) I always try new things (New Ideas, new products or doing things in creative way) in my firm
3) I always try to innovate and do things differently
4) I believe in my own work
5) I am habitual to hard work & whatever I do, I do with full dedication
6) I believe that my actions bring the rewards
7) I always take calculated risk
8) I love to work in uncertain situations
9) I am always sincere and committed to my job
10) I have the passion to continue my business despite so many ups and downs.
11) I never do anything without proper planning
12) I am capable of taking decision in difficult times.
13) I am flexible and adaptable to changes
14) It is clear to me where my firm has to be within 5 years

The cronbach’s alpha of Traits section is found to be 0.736 which indicates the reliability of the scale used.

(c) The Knowledge & Skills section contains 11 positive statements as under-

1) I have got professional background.
2) I don’t hesitate to communicate with anyone
3) I have good knowledge about my products.
4) I have required technical skills
5) I am capable of selling my products.
6) I always keep me updated with current information related to my business
7) I understand the customer needs
8) I am able to manage a team.
9) I can get work done by others
10) I was able to utilize the services of skilled manpower
11) I had previous experience before start up

The cronbach’s alpha of Knowledge & Skills section is found to be 0.674 which indicates the reliability of the scale used.

(d) The Economic & Environmental section contains 11 positive statements as under-

1) I have set up my business in a suitable location.
2) I was lucky to get access to early finance.
3) I had sufficient amount of money to invest in business
4) Good law and order situation prevails in Assam.
5) Good transportation facility is available in my area
6) Uninterrupted Electric power supply is available in my locality
7) I have availed the tax exemptions available to small firms
8) I am using latest technology in my firm.
9) I try to sell my products at competitive price
10) I have good network with dealers / retailers
11) I have good network with business association

The cronbach’s alpha of Economic & Environmental section is found to be 0.594 which indicates the reliability of the scale used.

(e) The support section contains 11 positive statements as under-

1) My family supports me in my business
2) My friend circle supports me in my business.
3) I received government subsidies
4) I received government support for purchasing Raw materials / selling of products
5) I received govt. support for installing latest technology & quality improvement
6) I received training from government agencies / institutions

The cronbach’s alpha of support section is found to be 0.617 which indicates the reliability of the scale used.

1.7.9 Data Analysis Tools & Techniques

Microsoft Excel and SPSS 15 are used to calculate the descriptive statistics, Fisher’s Exact test, Kendalls’s tau-c, Factor Analysis and Multiple Regression. IBM SPSS AMOS 22 is used to construct Structural Equation Modelling.
• **Fisher's exact test** is a statistical significance test used in the analysis of contingency tables. Although in practice it is employed when sample sizes are small, it is valid for all sample sizes. Fisher's exact test is more accurate than the chi-squared test when the cell frequency is less than 5 or zero.

• **Kedall Tau-c** - In statistics, the **Kendall rank correlation coefficient**, commonly referred to as **Kendall's tau (τ) coefficient**, is a statistic used to measure the association between two measured quantities. A **tau test** is a non-parametric hypothesis test for statistical dependence based on the tau coefficient. The Tau-a statistic tests the strength of association of the cross tabulations. Both variables have to be ordinal. Tau-a will not make any adjustment for ties. The Tau-b statistic, unlike Tau-a, makes adjustments for ties. Tau-c differs from Tau-b as in being more suitable for rectangular tables than for square tables.

### 1.7.10 Report Presentation

The report of this study is presented by using tabulation and descriptive style of presentation for easy grasping and understanding of the findings.
1.8 Organization of Chapters

The report of the present study is presented in nine (9) chapters, details of which are given hereunder.

Chapter 1: Introduction

This chapter “Introduction” introduces the topic and includes review of literature, Objectives of the Study, Hypotheses, Research Methodology, Scope, Significance of the study and Chapter Plan.

Chapter 2: Conceptual Framework

This chapter with the caption “Conceptual Framework” presents a brief review of concepts and definitions of the key terms. The chapter also gives a brief account of food processing industry in India & Assam.

Chapter 3: Demographic Variables Leading to Success of Entrepreneurs

This chapter with the heading “demographic variables leading to success” describes in detail the various demographic variables contributing to the success of entrepreneurs.

Chapter 4: Motivational Variables Leading to Success of Entrepreneurs

This chapter with the title “motivational variables leading to success” portrays in detail the various motivational variables contributing to the success of entrepreneurs.

Chapter 5: Personality Traits Leading to Success of Entrepreneurs

This chapter with the heading “personality traits leading to success” depicts in detail the various personality traits contributing to the success of entrepreneurs.
Chapter 6: Knowledge & Skills Leading to Success of Entrepreneurs

This chapter with the caption “knowledge & skills leading to success” describes in detail the various knowledge & skills contributing to the success of entrepreneurs.

Chapter 7: Economic & Environmental Variables Leading to Success of Entrepreneurs

This chapter with the title “economic & environmental” variables leading to success” portrays in detail the various economic & environmental variables contributing to the success of entrepreneurs.

Chapter 8: Support Variables Leading to Success of Entrepreneurs

This chapter with the heading “support variables leading to success” depicts in detail the various Support variables contributing to the success of entrepreneurs.

Chapter 9: Discussion, Recommendation and Conclusion of the Study

This chapter with the title “Discussion, Recommendation and Conclusion of the study” presents the discussion on broad objective, suitable recommendations and conclusion based on the findings of the study.

1.9 Significance of the Study

Review of past studies revealed that entrepreneurs are not homogenous and the determinants of successful entrepreneurs vary from place to place as well as time to time. In this study an attempt is made in order to examine the various determinants/factors leading to success of food processing entrepreneur with reference to Assam.

The findings will be of immense help for emerging entrepreneurs, students of commerce & management to understand the prerequisites of a successful
entrepreneur. From a theoretical perspective, the study has the potential to add new knowledge to the field of entrepreneurship. From a practical perspective, the findings of the study shall be useful to entrepreneurs in MSMEs to know and acquire the important factors leading to success.

The government institutions like MSME, DICs and IIEs imparting training for entrepreneurial development can take reference of this study in their training, mentoring and counselling programs for entrepreneurs. Apart from this, the findings will also help banks & financial institutions in assessing entrepreneurial capability of the prospective loan applicants. The proposed study will also help in constructing an **Comprehensive / multidimensional model for ‘Factors leading to entrepreneurial success’** which can be generalized across MSME sectors.

1.10 **Scope of the Study**

The study is limited to the state of Assam and focusing only on successful food processing entrepreneurs of MSME sector. The thrust area of the study will be to find out as to what makes a successful entrepreneur. The major sets of determining factors /variables covered under this study are -

1. Demographic variables leading to success
2. Motivational variables leading to success
3. Personality traits leading to success
4. Knowledge and skills leading to success
5. Economic and environmental variables leading to success
6. Support variables leading to success
1.11 Limitations of the Study

Although this research will contribute a lot, yet there may be several limitations like lacuna in Questionnaire design & data collection process. The limitation of sample survey & the possibility of response bias cannot be ignored. It is very likely that the entrepreneurs who rate their own performance as good may not be good when compared with national average. The present study considers only the surviving firms in its sample frame and does not include the firms that have ceased their operations. A detail / lengthy study including the firms that are no longer in existence may provide valuable insights into the factors that contribute to firm failures. The results of this proposed study will pertain to owner-managers of food processing MSMEs who are actively involved in managing the business. The applicability of these results beyond these kinds of businesses and without such active involvement may require further investigation.