Entrepreneurs have two major tasks namely, the setting up of a business unit and taking care of its survival and growth. The task involves entrepreneurial skills and managerial skills. Probably the setting up of a business unit requires comparatively more of entrepreneurial skills and less of managerial skills and the latter involves more of managerial skills and less of entrepreneurial skills. However both involve certain qualities in the entrepreneurs in order to influence the environment in their favour.

There are several studies on problems of industrial units particularly the causes of industrial sickness and several suggestions were made for turning around the units (Sarangi et al 1990; Dash 1990; Abraham 1989; Pathak H.N. 1974; Subramanian and Sivakumar 1975; Rao H.N. and Uma Mohan 1988; Berna 1961).

The authors attributed causes like wrong choice of business, wrong location, inappropriate technology, cost escalation, poor planning, financial problems, poor power supply, marketing problems, poor labour relations, changes in government policy, shortages of raw materials, general recession in industry, unfair competition etc. for failure of enterprises.

Studies on entrepreneurship are classified under the following categories for the purpose of this research; 1. psychological correlates of entrepreneurship, 2. motives behind becoming entrepreneurs, 3. the profiles of new entrepreneurs, 4. personal qualities of entrepreneurs and 5. studies on entrepreneurial development programmes.
3.1 Psychological correlates of entrepreneurship

The study of entrepreneurship progressively fell into the domain of the psychologists and the sociologists from the early sixties. The cross-country studies of David C. McClelland (1961) done with a view to unfold the facts behind why some countries developed rapidly in the economic sphere at certain time and not others resulted in validating the proposition that the n-Ach levels will be directly proportional to the degree of economic development of any country. He studied 23 cultures of different countries on the basis of the readers for the second third and fourth grades for two discrete periods and found that the correlation between n-Ach level in the childrens' readers in 1925 and the growth in electricity output between 1925 and 1950 as compared with the predictions based on the scores was very significant.

The same author studied several proliiterate cultures, by comparing the number of full time "business entrepreneurs" among the adults in several such cultures with each culture's level of n-Ach as reflected in folk tale content. Of 19 cultures whose folk tales were high in n-Ach, 74% contained some entrepreneurs whereas 35% of the 20 cultures classified as low in n-Ach contained any entrepreneur at all.

Hence, he stated that n-Ach is a precursor of economic growth, not only under the free enterprise system but also where business is controlled and fostered largely by the State. He found that in countries that had developed more rapidly economically, children stories tended to emphasise reliance on the opinion of particular others rather than on tradition for guidance on how to behave towards others. His experiments conducted in a village in Orissa and Kakinada in Andhra Pradesh during 1964 are of great relevance in today's developments in the field of entrepreneurial development. In
the first experiment a number of mechanics, potential small-time entrepreneurs were collected. These mechanic trainees were tested for their n-Ach. More than a year later the experimenter checked to see which of them had made use of their training to function as more or less independent artisans. It was found that men with high n-Ach showed more entrepreneurial spirit and less involvement in the traditional cultivation of the soil than those with low n-Ach. In another experiment "Achievement Motivation Training" (AMT) was given to 52 selected prominent businessmen of Kakinada in the Small Industries Service Institute (SIET), Hyderabad. Two more groups, one comparable group of businessmen from Kakinada and another group of businessmen from Rajmundry were chosen for the purposes of finding the "spread" effect of the training and in order to find out the differences between the trained and the untrained groups respectively. It was found that "in no sense has the course led to instant and continued success for all or even for a small proportion of them. Rather it has led to some improvements for many, an improvement that is made up of trial and error, investigation, planning, some failure, overcoming of obstacles, change and reorientation and overall success in many cases" (Masiuddin 1980).

Kock (1965) studied 10 firms engaged in knitted goods and found that over a period of ten years those firms having negative affiliation motives fared better than those having a positive affiliation motive. His formula indicative of firms' performance was $n$-Ach + $n$-Pow (need for power) − $n$-Aff (need for affiliation)" and he found that the psychological scores and the firm's performance was positively correlated. Battacharya (1984) surveyed 32 small scale units and found that the first generation entrepreneurs were more autocratic than the others.

Nandy (1973) examined some of the psychological and social corre-
lates of entrepreneurship in an urban community in West Bengal and compared two caste groups within the community, differing in entrepreneurial success, modernity and the traditional social status. The group was composed of 36 entrepreneurs and 25 non-entrepreneurs. He obtained scores of the respondents on the a. Need for achievement (n-Ach), b. Need for power (n-Pow), c. Need for affiliation (n-Aff), d. Murrays Thematic Apperception Tests (TAT) and e. Sense of efficacy. It was found that the predictors of entrepreneurship differed from situation to situation. The fathers' entrepreneurship predicted the sons' n-Ach and through it the latter's entrepreneurship. In case of the upper castes, fathers' entrepreneurship made no significant contribution to the sons' enterprise or his n-Ach level. Among the motives, the n-Ach turned out to be the best predictor of entrepreneurship, followed by n-Pow and sense of efficacy. High n-Ach contributed to the firms' success and high n-Pow in the owner-manager contributed to the firms' rate of growth.

Shah B.G. et al (1974) studied two groups of participants of EDPs conducted in Gujarat during the years 1970-73. Both groups were in business. One group had AMT as a course input while the other group did not have AMT. A special interview schedule for scoring behavioural indices on (Entrepreneurial Behaviour Indices) a. planning orientation, b. information sources utilisation, c. goal clarity, d. achievement orientation, e. expansion activity and f. operational management was used for the study. The respondent groups were studied in-depth through personal interviews. They were assessed for their psychological orientations. It was found that the mean scores of the group which had AMT as a course input was higher only on the following behavioural indices, a. Information sources utilisation and b. achievement orientation.

The results raised questions on the validity of the AMT. However the
scores on both groups on AMT were higher than the scores that were obtained by interviewing non-entrepreneurs in different settings. It was however found that the correlation coefficients of achievement orientation with other behavioural indices was positive and they were statistically significant. Thus it was inferred that AMT helps develop entrepreneurs and on several behavioural dimensions it is likely to have facilitating effects.

In order to assess the effectiveness of AMT the team studied the impact of the EDPs with AMT and without AMT on the participants with reference to their entrepreneurial movements. Entrepreneurial movement meant any change in the occupation of the respondents from a non-business activity towards a business activity or a change from a business activity towards an industry. It was found that trainees with AMT exhibited more entrepreneurial movements than the group of trainees without AMT.

Singh N.P. (1979) studied some of the selected personality traits of successful and unsuccessful entrepreneurs in Chotanagpur in Bihar. He found that the n-Ach and n-Pow was significantly higher for successful entrepreneurs. Need for affiliation did not differ significantly between the two groups. The degree of perceived readiness was also higher among the successful entrepreneurs.

Deivasenapathy (1980) found that successful entrepreneurs scored higher than those entrepreneurs of sick units in their n-Ach, n-Pow, risk-taking, job satisfaction and level of aspirations. The successful entrepreneurs scored lesser than the other group in their n-Aff and job anxiety.

Sexton and Bowman (1984) tested 401 Baylor University students and compared the scores of entrepreneurial majors, business majors and
non business majors by using various personality inventories. They found that there were significant differences on anxiety, conformity, innovativeness, risk taking skills, autonomy and harm avoidance. In a separate study they found entrepreneurship students to be more tolerant of ambiguity than the other students.

Vijayakumar (1987) compared the motive patterns and values of successful and unsuccessful entrepreneurs in Tirupur in Tamilnadu. The n-Ach, n-Pow and n-Aff values were scored and grouped into scientific, achievement, individualistic, economic risk and social values. It was found that the successful entrepreneurs (N=80) scored higher (3.9) than the unsuccessful entrepreneurs (1.6) (N=80). The n-Pow and n-Aff were lesser for successful entrepreneurs than the unsuccessful ones. It was found that successful entrepreneurs scored higher than the unsuccessful ones in all areas except social values.

Ramarajan and Srivatsava (1987) studied the degree of externality and the effectiveness of entrepreneurs (N=16) and found that externality had a negative correlation with entrepreneurial effectiveness. The Type "A" behaviour was positively correlated with entrepreneurial effectiveness.

3.2 Motives behind becoming entrepreneurs

Sharma (1975) considered that those expectations which are supposed by the role partners lead the focal persons to the achievement of the core goals.

Rao T.V. and Moulik (1979) found that self-interest (50% of the cases) and unemployment (27% of the cases) were the reasons for self employment. Family support, market demand, financial assistance offered by financial institutions, desire to be independent, publicity of facilities offered by the Government, unemployment and training experiences were found to be the influencing factors.
Patel V.G. (1981) listed the following as the prime motives behind the effort to become entrepreneurs, a. low income of the past occupation, b. frustration in job, c. Success of others, d. to be one's own boss, e. to be different from others, f. past experience, g. family push and h. tradition in the family. In his study of 25 entrepreneurs, it was found that, "to be different from others" was the major objective of the entrepreneurs to become so.

Murthy et al (1986), on reviewing 334 entrepreneurs from the Anakapalli and Gudivade towns in Andhra Pradesh, found that, continuing in the family business, securing employment and fulfilling their personal or family ambitions as the major reasons as to why they opted to be in business. Dissatisfaction in the job, making use of personal skills, making use of idle funds and unemployment were the reasons for one to make entrepreneurial efforts. Previous associations in business, success stories of entrepreneurs, advice or influence of others are the influencing factors. The prime motivators were self, wife and family members.

Entrepreneurs perceive and face various types of risks. Naums (1978) stated that the entrepreneurs are to face financial risks, career risks, family risks and the psychic risks in becoming a successful one.

Matthai (1979) stated that an entrepreneur faces technical risks, economic risks, social and environmental risks. He has fear of banks and fear of uncertainty. Chebbi (1980) stated that an entrepreneur has to face a. technology risks, b. market risks and c. skills and knowhow risks.

3.3 The profiles of new entrepreneurs

Entrepreneurship in India was traditionally with a few communities
like the Parsis, Marwaris, Gujaratis, Kayasthas, Chettis and the Naidus (Dharmakumar 1982; Rao T.V. 1979; Nafziger 1962). The participation of other castes in business and industry was comparatively very limited. However the post-independence scenario of entrants to enterprise shows a change in the community composition since people from non business communities also started participating in the industrialisation process.

Lamb (1955, in Sharma R.A. 1980) studied the process of evolution of Indian entrepreneurship and felt that entrepreneurship in India had been concentrated in Bombay and Bengal and only very few Indian communities were controlling the business. Even after independence entrepreneurship was concentrated in the same communities; Parsis, Gujaratis and Marwaris and they were becoming less distinct (Sharma R.A. 1980). Berna's (1960) study of the industrial entrepreneurship revealed that entrepreneurs have sprung from varied economic and social backgrounds and only very few had been started by former merchants. Sociological factors such as caste, attachment to traditional activity and approval or disapproval of a social group to which a potential entrepreneur belongs were less important than economic factors such as access to capital and possession of business experience and technical knowledge. Very little money was enough for entry into business. However his analysis of 52 industrial units showed that 79% of the units were owned by leading business communities the Chettiar s and Naidus besides Brahmins. The entrepreneurial mobility was high among the entrepreneurs.

Pathak H.N. (1974) studied 200 small scale entrepreneurs in Gujarat and found that they were from varied social and economic backgrounds. Subramanian and Shivakumar (1975) studied the demographic factors of small scale entrepreneurs in Madurai city and its environs and found that the modal age group at which the entrepreneurs
started / bought their units was 28 to 32. Entrepreneurs were not evenly distributed among the age groups. However persons belonging to Nadar and Saurashtrian communities were found to be in largest proportion and persons from 23 other communities were also found in business. A majority of them hailed from a family that was not industrial and 44.0% of the entrepreneurs were migrants.

Deivasenapathi (1980) compared the successful units (N=53) and sick units (N=45) and found that the factors like religion, birth order, income class, fathers' occupation, level of fathers' education, origin as to rural and urban and place of schooling of the entrepreneurs were not significant in the success or failures of the entrepreneurs. Entrepreneurs were from various educational, religious and occupational backgrounds. Education and experience in related lines of business were positively related to the success of entrepreneurs.

The Overseas Development Institute, London and the SIET (Sharma S.V.S. 1980) conducted a study in Tamil Nadu, Andhra Pradesh and Punjab. It was revealed that in the South entrepreneurs were drawn from different social and economic groups including past employees of small industries. In Punjab the traditional artisans, namely the Ramgharias became modern small scale entrepreneurs.

Singh Sheobagal (1985) made an empirical study of the carpet industry in a town in Uttar Pradesh with reference to the sociological impact of the development of the industry and found that a. religion has not played any role in entrepreneurial development, b. caste played no role in their social relationships, c. there was a high rate of occupational mobility and d. the industry had disrupted the traditional organic structure and the caste system. It was also found that Banias and Muslims had a strikingly larger proportion in trade.
Jain Gautham and Ansari (1987) studied 29 entrepreneurs from various linguistic backgrounds and found that a. the personality and character is largely shaped by the person's past background, b. more than half of the entrepreneurs were from traditionally non business communities, c. besides family background one may be inspired by work experience or social interactions, d. many were from middle class families, e. many had migrated for business or jobs, f. majority of them started their businesses during the age 36-45 years, g. 72% of the entrepreneurs were highly educated and 86% of them had work experience and h. the parents of a majority of them were less educated.

Kaptan (1987) found that education, commitment and job experience related to entrepreneurial success but family support, education of parents, community background and managerial or entrepreneurial education were not related.

Uma Mohan and Rao H.N. (1987) found that the age at the time of starting, occupational background, experience, type of family and location of business were not related to entrepreneurial success.

Murthy (1988) found 21-30 years as the modal age for entering into business and also found that 58% of the entrepreneurs were educated only up to secondary school.

Thangamuthu and Manimekalai (1989) picked up a random sample of 25 entrepreneurs in the business of structural fabrication in developed plot estates in Trichi district in Tamilnadu. They found that a considerable regional and occupational mobility was observed among the sample entrepreneurs. Nearly 72% of the entrepreneurs were from other districts and 60% of the entrepreneurs were from non-business parental backgrounds. It was found that a majority of the entrepreneurs (72%) were technically qualified. Chettiars, Vellalars and
Naidu had a dominant share and their businesses had undergone more diversifications with higher profitability. It was found that entrepreneurs from business communities could tackle the problem of competition and inadequate supply of raw materials more efficiently. Dash (1990) studied 104 entrepreneurs in Orrisa and found that entrepreneurs were from varied occupational background of parents and varied educational backgrounds. Anna (1990) studied 102 women entrepreneurs representing all the 14 districts of Kerala state. It was found that no single community was holding a dominant share. The occupation of the entrepreneur's father or husband was predominantly white collar jobs followed by business. It was found that they became entrepreneurs from varied occupational backgrounds; however 54.9% of them were previously housewives.

3.4 Studies on personal qualities of entrepreneurs

While economists made a functional approach to entrepreneurship, the psychologists and sociologists made an indicative approach to entrepreneurs with a view to describe an entrepreneur. Many authors have made efforts to list the psychological and behavioural characteristics of individuals who are likely to become entrepreneurs. These observations were made on the basis of the behavioural pattern exhibited by practicing entrepreneurs and their personal traits. It is these qualities that differentiate an entrepreneur from a non-entrepreneur. Hence description of the qualities of entrepreneurs may help in identification of prospective entrepreneurs and selecting them for the purpose of enhancement of those qualities in them or help in providing financial or any other support to them.

Gandhigram Rural Insitute of Higher Education (1975) studied 150 small scale entrepreneurs in Madurai city of Tamilnadu state and found that the entrepreneurs were a. credit oriented, b.immitative
rather than innovative, c. dependent rather than self-reliant and d. moderate traditionalists with occasional risk taking.

Rao T.V. and Mehta (1978) surveyed the existing literature on entrepreneurial qualities and concluded that n-Ach, need for influencing others, sense of efficacy, risk taking ability, openness to feedback, learning from experience, need for independence, hope of success, a belief that they can change the environment, concern for the society, social consciousness, dignity of labour and saving for future as the characteristics observed in a majority of entrepreneurs. Rao T.V. in a separate study conducted during the year 1976 found that a host of other characteristics including creativity, goal-orientedness, desire for excellence, desire to make a lot of money, feeling that family and friends are next to business, egoism, self-starter etc. The author felt that the more these qualities are present in a person the more effective he is likely to be as an entrepreneur.

Rao T.V. (1979) made a survey of various agencies associated with entrepreneurial development in order to identify the characteristics of an entrepreneur as perceived by those agencies. The respondents' (N=34) views were classified and around 73 characteristics were identified. Topping the list were a. self confidence, b. perseverance, c. product-market knowledge, d. propensity to learn and e. ability to take risks. Khandwalla (1979) felt that desire for independence and ability to take risks as the key factors in starting an enterprise. However he warned that the desire for independence may have some pathological roots like childhood wish to escape from father's authority may end up in an unwillingness to work under any boss.

Akhourie and Battachargee (1979) identified a host of characteristics as indicative of entrepreneurial behaviour. They are a. high
n-Ach, b. high n-Pow, c. need for independence, d. propensity to take risk, e. personal modernity, f. sense of efficacy, g. support, h. leadership etc.

The Behavioural Science Centre (BSC) New Delhi, identified the following qualities as some of the important qualities of entrepreneurs. a. The n_ach, b. risk-taking ability, c. positive self-concept, d. initiative and independence, e. problem solving ability, f. optimism, g. searching environment and h. time bound planning. These characteristics were measured by using psychological inventories and interviews in order to select participants for EDPs in Gujarat (Rao T.V. et al 1979).

Kent et al (1982) stated that an entrepreneur may not be a scientific inventor, his skills are less scientific than organisational and he is different from the manager. Personal qualities like 'an innate sense of impending change' (Schwartz 1982), ability of intuition, ability to spot problems and a generalist in possession of knowledge are mentioned as the qualities of entrepreneurs. Mancuso (1981) stated that entrepreneurs are often driven by deep seated desires and they experience a period of deep frustrations and depressions.

Casson (1982) stated that the following are the qualities required for an entrepreneur, a. self knowledge, b. imagination, c. pragmatism, d. analytical ability, e. search skill, f. foresight, g. computational skills and h. communication skills.

Singh N.P. (1985) lists a set of significant and identifiable characteristics of entrepreneurs as high n-Ach, need for influencing others, high sense of efficacy, change proneness, high degree of self-percieved readiness, overall modernity, dignity of labour, strong will power, high self esteem, tactful in competition, exploiting opportunities, creativity and imagination.
Schere (1982) found that entrepreneurs had a greater tolerance for ambiguity than managers, but the budding entrepreneurs fell in between the entrepreneurs and managers on the ambiguity tolerance scale.

Efforts were also made to find means of identifying entrepreneurial talents at the school itself. Kowrisky studied 685 elementary school students and found persistence, academic ability and creativity were important psychological characteristics that predict entrepreneurship in a simulated economy, while Brown (1984 in Sexton and Bowman 1984) maintained that teaching of decision making skills may promote entrepreneurship.

Galbraith J.K. (1985) considered entrepreneurs as self reliant, individualistic, having a trace of justifiable arrogance, having a fierce sense of competition and having a desire to live competitively. Pinchott (1985) identified that entrepreneurs are freedom oriented, goal oriented, self reliant and self motivated, action oriented, time oriented, courageous, risk taking and learning oriented. Selvaraj (1986) studied the impact of entrepreneurial development efforts made by the Small Industries Service Institute Ahmedabad. The respondents perceived that hard work, leadership, self confidence, good human relations, wide knowledge, decision making skills, ability to cross hurdles, clarity of thinking, aggressiveness, competitive mind, risk taking ability, patience etc. are some of the qualities required of a successful entrepreneur.

A study conducted by Mc.Ber and Co. U.S.A. in collaboration with EDII Ahmedabad identified a set of traits as the personal entrepreneurial characteristics. These were a. achievement cluster b. thinking and problem solving cluster c. personal maturity cluster and d. directing and controlling cluster. These characteristics were found
to be cross culturally common irrespective of personal backgrounds, social status, values, culture and the level of economic growth (Patel V.G.1987).

Mishra and Chitra Rao (1986) listed the following characteristics as highly significant. a. high n-Ach b. High n-Pow c. independence d. propensity to take risk e. sense of efficacy f. personal modernity g. support h. business experience i. leadership and j. symbolic or actual rejection of father.

Joy (1991) on the basis of a review of success stories of several large scale entrepreneurs found that the entrepreneurs possessed great perseverance, ability to seize opportunities, capacity to take large risks, willingness to delegate, ability to brave obstacles and were good learners all through.

The qualities as recognised by earlier writers on the field of entrepreneurship are discussed in Chapter II "Concept of Entrepreneurship".

3.5 Evaluation studies on EDPs

In principle studies on EDPs may be classified in terms of the following aspects
a. The EDP as such, as a means of promoting entrepreneurial behaviour
b. Selection systems vis-a-vis their effectiveness in terms of their ability to discriminate the potentially successful candidates and the others
c. The course contents vis-a-vis their effectiveness in terms of their ability to make the trainees start business and
d. Follow-up activities in their ability to make people start business
5. The institutional support systems vis a vis their ability to make people start their business.
Oza (1988) and Romigin (1989) reviewed the EDPs in India. While they commented about the monetary and evaluatory systems they found that a built-in mechanism for that purpose is missing. It is mainly because the funding practices adopted by the sponsoring agencies are restricted to expenses related to advertisements, conduct of the programme and a few follow-up meetings. A target-oriented systems approach has not been made so far. Hence the organisations conducting the EDPs are left with no information regarding the state of affairs of the participants unless the participants write to the agencies for some help or just to maintain personal contact. Hence evaluation studies have to be done only by the sponsorship of some funding agencies or by the individuals out of academic interest. Many of those studies done by the funding agencies also lack a scientific approach.

To study the impact of training, use of control groups like groups having similar scores in selection system but no training or similar training without a specific course input like AMT may give a theoretically sound sample but practically it may not be possible for the main reason that it amounts to interfering with the rights of the individuals. Even if it is done on the basis of willingness it may not be possible to get substantial numbers. Hence a comparison of EDPs with a specific aspect of course input, (say AMT) and EDP without that course input can alone be made. The other possible option is to survey the perceptions of the ex-trainees as to the usefulness of the course in each aspect. With reference to the follow-up one cannot have a research which will ensure reliable prediction as to the usefulness, for the participants may or may not turn up for the follow-up sessions.
3.5.A Studies on selection for EDPs

Pareek (1979) conceptually identified two kinds of strategies for economic development. They are a. the filter model and b. the organic model. The filter model assumes selective growth and the organic model emphasises social objectives and a balanced regional and rural development. The two ideologies have great impact on the selection system which an agency may adopt.

Rao T.V. and Moulik (1979) studied the selection techniques in use to assess the effectiveness of the procedures to find out the dimensions and characteristics that need to be considered for future selection. Questionnaire surveys were made for SISI Ahmedabad, Jaipur, Delhi, Hyderabad, IIT Delhi and Agro Industries Centre Jaipur. It was found that the selection system was able to differentiate the potentially successful candidates from the others to a reasonable extent. However the selection procedures had not picked up a great number of potential entrepreneurs.

Rao T.V, Shah and Gaikwad (1979) along with other team members assessed the effectiveness of some psychological tests and behavioural science based strategies for selecting entrepreneurs for training. The behavioural science based selection system developed by the Behavioural Science Centre (BSC), New Delhi and applied by the Gujarat Industrial Investment Corporation, aimed at assessing personal qualities like n-Ach, risk taking ability, positive self-concept, independence etc. Besides testing on the effectiveness of BSC strategy, the adoption propensity, locus of control, interpersonal trust and the entrepreneurial confidence of the respondents were assessed. Four groups of respondents namely selected (1) and rejected (2) through application of behavioural science strategies and selected(3) and rejected(4) through ordinary means of selection were studied. It was found that a. selection through careful inter-
viewing or through systematic behavioural science research based testing does help in identifying candidates with entrepreneurial potential, b. behavioural science tests are more effective than the traditional methods of selection and c. while internal locus of control may be a useful dimension in discriminating level of entrepreneurial potential the other scales are not effective.

Ramakrishnan (1979) suggested that level of motivation, flexibility, planning orientation, business acumen, managerial ability and personal background are the factors to be assessed during interview for selecting potential entrepreneurs for EDP. Rao T.V. (1979) suggested that planning orientation and managerial capabilities are the factors to be assessed for financial assistance to the prospective entrepreneurs. Khandwalla (1979) suggested several unorthodox selection methods like testing of ideational fluency, rough and ready means of determining achievement strength, using Astrology, Palmistry or deploying persons with extra-sensory perception (ESP), testing of blood serum, testing of uric acid, analysis of handwriting, analysing voice patterns and so on. He felt that the levels of achievement was a function of the level of motivation as a multiplier to the level of ability.

Rao T.V. and Moulik (1979) studied the selection systems followed by various agencies and assessed the factors to be considered for selecting potential entrepreneurs for training on the basis of the expectations of the respondents who are job seekers and the respondents who are committed to an entrepreneurial career. The following set emerged a. business background of the applicant, b. community c. family mobility d. technical background e. job experience f. past entrepreneurial activities g. achievement orientation h. ability to raise finance i. project planning j. awareness of personal strengths and weaknesses k. social responsibility l. problem-solving ability and m. creativity.
Pathak H.N. (1980) stated that the basic issues to be confronted i.e. a. what kind of industrial unit we want to take into backward areas, b. what is the technology we wish to take into backward areas and c. what type of entrepreneur or entrepreneurship inclusive of management we wish to foster in a backward area, is it self-employment oriented or high-technology or traditional, will have strategic implications on the identification efforts, selection and training methodologies.

Deshpande and Panwalkar (1980) reviewed the profile of aspirants of entrepreneurial career in 1976 in some districts of Maharashtra. It was found that 17.5 percent of them were of rural background, 80.4 percent were from urban areas and 2 percent from metropolitan cities. The place of stay was rural 11.4 percent, urban 76 percent and metropolitan cities 12.6 percent. The modal age group was 21 to 25 years (43.6 percent) followed by 26 to 30 years (18.6 percent) and less than 20 years (17.8 percent). Previous occupation showed that a majority of the participants were unemployed (40.3 percent) followed by service (26.5 percent) and self-employed (22.7 percent). The educational background revealed that a majority have studied upto SSLC or less (33.4 percent) followed by graduates (31.6 percent), diploma holders (9.9 percent) and the post-graduates (4.3 percent). The family occupation was primarily agriculture (34 percent) followed by service related activities (22.5 percent). Another study made by the same authors revealed similar age distribution. It was found that the selection was very much bent in favour of post-graduates (applied 49 percent; selected 65 percent) and against those who had studied upto SSLC or less. It was found that those whose parents were in professions, industry, trade or service had a higher probability of being selected. But in case of agriculture or craft their chances of selection was much lower than the other applicants.
Alcon (1981) stated that a person is likely to be entrepreneurial if he has earned money on his own before he is 10 years old, taken part in competitive games at school, one who was able to remember peoples' faces and names, one who stays away from students' organisations, one who gets up early in the morning, is good at hard subjects at school, one who trusted his hunches rather than waited for information to take decisions and one who spent more time on work.

Raval and Pathak C.H. (1987) suggested that a. need to achieve b. moderate and calculated risk taking c. high sense of personal efficacy d. initiative and independence e. problem-solving f. optimism g. time boundedness h. tendency to analyse the environment and i. desire to influence, as the psychological characteristics that may be taken into account while selecting individuals for EDPs. Raval (1987) was for a 'filtered model' with reference to the selection of the centre for conducting EDPs as he stated that a centre must be chosen only if it has scope for general, ancillary and specific industrial development. On the basis of long experience with 61 EDPs conducted by CED and 12 by EDII, Raval concludes that the higher the level of aspiration and achievement motivation of the people in the place where an agency proposes to conduct EDPs, the greater are the chances for success of the EDPs. He has also found that without the support of the local opinion leaders the chances of success of the EDPs are bleak.

Haribabu et al (1987) found that the perceptions of final year engineering college students aspiring to become entrepreneurs compared with entrepreneurs on the characteristics required for successful entrepreneurs showed significant difference between the groups.

Raval (1987) reviewed the profile of EDP trainees (N = 57) in Sikkim and Arunachal Pradesh and found that the modal age group was 21 to 25 years followed by less than 25 years. The previous occupa-
tion was mainly unemployed (46 percent) and trading (17.5 percent) followed by agriculture (9 percent). It was found that 67 percent of the participants were educated below high school, intermediate 12 percent and graduates 21 percent. Agriculture was their major family background (54 percent) followed by government service (12 percent) and trading (16 percent).

3.5.B Estimates on trainees in business (Success rates).

A team of experts comprising of Profs. Shah B.G., Gaikwad, Pareek, Garg, Rao, Shetty and Shah H.C (1974) studied the performance of CED, Ahmedabad with a view to design a selection system if needed. It was found that the percentage of respondents in business was 26 percent in the case of those who were rejected by the ordinary selection system and 35 percent in the case of those who were selected through the ordinary selection system. The percentage of people in business who were rejected by the application of behavioural sciences based selection system was 13 percent and of those who were in business who were selected through this system it was 46 percent.

Singh N.P. (1979) studied the EDPs conducted in Chotanagpur in and found that the success rate of EDPs for tribal entrepreneurs was 45 percent and in the case of general EDPs it was 20 percent. He studied the sociological aspects of entrepreneurial success and found that the success of the entrepreneurs was mainly due to the linkage systems particularly the linkage with the voluntary agency 'Vikas Maitri' operated by the Xavier Institute of Social Sciences (XISS) Ranchi.

Rao T.V. and Moulik (1979) surveyed the trained and untrained candidates of SISIs at Ahmedabad, Jaipur, Delhi, and Hyderabad, IIT Delhi and Agro Industries Corporation, Jaipur and found that an average of
31.1 percent of the trainees were in business. The percentage of persons in business varied from agency to agency. It was found that a majority of the participants decided on their career when they were about 22 years or more. Entrepreneurs were found to be more mobile than their parents. The respondents' perceptions as to the qualities of successful entrepreneurs and the qualities detrimental to success of entrepreneurs were also identified. Among those qualities recognised as harmful to entrepreneurial success were a. laziness b. dishonesty c. lack of self-confidence d. improper dealing with customers e. superiority feeling f. lack of decision making ability and a host of other characteristics. It was found that most of the candidates were unemployed at the time of their selection and a small percentage were doing their own business. Only 6 percent of the selected candidates reported to have had early thoughts of becoming entrepreneurs, 19 percent of the respondents during their education, but most of them thought of it only after their college studies. It was also found that a. financial background b. technical knowledge c. marketing ability d. family background e. experience f. educational background and g. self-confidence etc. are the factors to be considered for selection. The respondents who were not able to set up their businesses felt that a. financial problems b. lack of knowledge c. marketing problems d. lack of family support e. non-availability of business inputs and f. inadequacy of support facilities were the reasons for their inability to set up businesses.

Akhouri and Bhattacharjee (1979) stated that the entrepreneurial development has three basic features: initiation, development and support. All the three phases are parts of a circular process of entrepreneurial development. They commented that most of the EDPs concentrate only on the support systems particularly economic support without paying due attention to the other two phases.
Vinayak Vani (1980) studied the EDPs conducted by the XISS for tribals of Ranchi and found that of the 123 persons trained during 1973-79, 67 persons (54.5 percent) had started their own business units. It was found that the units started were initially agro-based units but later they started manufacturing units also.

Deshpande and Panwalkar (1980) studied 5 EDPs conducted in some backward areas and another 5 general EDPs conducted in Maharastra and Goa. It was found that the ratio of trained candidates to the number of people applied was 1:6.6 in the case of in backward areas and 1:10.6 for others. The success rates were 35.2 percent and 31.1 percent respectively. The authors felt that there cannot be a standard model of EDP which could be followed everywhere, but the design of the curriculum must be tailor-made to the need of the target trainees. They also emphasised the importance of pre-training arrangements and a systematic follow-up. They also suggested that the medium of instruction in EDPs must be the regional languages.

Ashtana (1980) reviewed the success rates as reported by various agencies and suggested that the reasons for low rate of success of the EDPs for young engineers, of Small Industries Development Organisation (SIDO) was due to its failure to select the people who were interested in becoming entrepreneurs.

Shetty et al (1980) studied the EDPs conducted by the Development Banking Center (DBC) New Delhi and found that 57 percent of the participants were in business. The cost per programme was Rs. 66,250 and the average cost per trainee was Rs.3,046. It was found that the composition of parental occupation was farming, 27.6 percent; business, 29.9 percent; service, 22 percent; trading, 11.5 percent and artisans, 8 percent. It indicates that a majority (41.4 percent) of the participants' were wards of parents in business.

Patel (1981) studied the EDPs in Gujarat and reported that 74 per-
cent of the experienced persons, 95 percent of jobless engineers and 55 percent of educated unemployed persons who were trained were in business. Of the programmes conducted during 1977 it was found that 72 percent of the trainees were in business. The dropout during training was 16.8 percent. A comparison of the trained group of entrepreneurs with the group of entrepreneurs who were not selected for EDP showed that the trained group experienced lesser number of business closures, more number of profit-making units, greater rate of return on investments, better repayment performance, lesser bad debts, lesser sickness and more creation of jobs.

Davis and Harnish (1984) studied the state of affairs of 1265 students who enrolled for the course 'Your Future in Business' offered by a University in U.S.A during 1978-83. It was found that an average of 29 percent of them were in business. A majority of them (76 percent) felt that their course had a large effect on them and no one perceived that the course had no use.

Mishra and Chitra Rao (1986) reviewed the EDPs conducted by SIET and found that of the 2608 persons trained during 1974-75 369 persons (14.1 percent) have started their enterprises.

EDII, Ahmedabad (1986) conducted a survey of EDPs in Madhya Pradesh and found that 9.1 percent of the EDP trainees of SISI, 25.8 percent of trainees of EDPs of State Bank of India (SBI) and 18.1 percent of the EDP trainees of Madhya Pradesh Technical Consultancy Organisation (MPCON) were in business. Selvaraj (1986) in a study of the trained and rejected persons of EDPs of SISI Ahmedabad, found that 20 percent of the trained persons were in business and another 13.3 percent were most likely to set up their units. In the case of rejected persons only 10 percent were in business. It was found that those who conceived the idea of becoming an entrepreneur during school days are more likely to start their business than who thought
of it later. The persons who were influenced by their family members were more likely to start businesses. It was found that the trained persons are less likely to stay away from starting a business than the rejected persons. The participants felt that the course was perceived as 'useful to a greater extent'. It was found that the average time taken for setting up a business was one year and five months.

Patel (1987) reviewed the performance of EDP trainees in Gujarat and estimated that 65 percent of the trainees would be successful. 75 percent of the units started were financially sound according to the evaluation of CED, Ahmedabad. The cost per trainee for three months part-time EDP was estimated to be Rs.4,000 and for the 6 weeks full-time programme was Rs.3,000. He further assumed that with 50 percent of the trainees starting business, the cost per start-up would be Rs.8,000 and Rs.6,000 respectively. The average project investment was Rs.1,50,000 and the average turnover Rs.2 lakhs per annum. The job created was 8 to 10 per unit. Hence the investment needed for creating one job was Rs.15,000. He also reported that the occupational background of the entrepreneurs was employees, 45 percent; traders, 20 percent; young engineers and unemployeds, 25 percent and farmers and others, 10 percent. He suggested a comprehensive, integrated, development oriented, goal oriented, need-based, individual oriented approach to the EDPs. Patel (1987) has reported that the rate of success for EDPs in Malaysia was 21 percent.

The reports on success rates of EDPs are presented in Table 3.1. It is observed that the success rates vary from 9 percent to 74 percent. However, the methodology adopted by individual agencies to assess the success rates may be different. It may be observed that there was no study on the follow-up activities and their effect on
the trained persons.

A review of literature reveals that entrepreneurs possess some distinct qualities and those qualities also discriminate the successful entrepreneurs from the not so successful ones. Entrepreneurs get into their enterprise at varied age, with varied educational and with varied family backgrounds. They show a larger movement from place to place. The EDPs have contributed in enabling the potential entrepreneurs to become business people. The scientific selection process had its impact on selecting persons who were more likely to become entrepreneurs. The course input AMT has also contributed to making a greater share of entrepreneurs from the trained group compared with the group trained without AMT. It may be observed that evaluation studies were done only by a few authors and others simply depended on the number of trainees who were found in business at the time of the study in assessing the success rates.

**Table 3.1**

**Success rates of EDPs**

<table>
<thead>
<tr>
<th>Sl</th>
<th>Year</th>
<th>Agency / Area of study</th>
<th>Source of information</th>
<th>SL( %)</th>
<th>N</th>
<th>Rejected ( %)</th>
<th>N</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>1973</td>
<td>-</td>
<td>Bhatt</td>
<td>37.2</td>
<td>293</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2.</td>
<td>1974</td>
<td>CED, Ahd</td>
<td>Shah B.G. et al</td>
<td>35</td>
<td>31</td>
<td>26</td>
<td>31</td>
</tr>
<tr>
<td>3.</td>
<td>1975</td>
<td>Assam</td>
<td>Suri</td>
<td>8.6</td>
<td>1058</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>4.</td>
<td>1979</td>
<td>XISS</td>
<td>Singh N.P.</td>
<td>50</td>
<td>36</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>5.</td>
<td>1979</td>
<td>SISI, Ahd</td>
<td>Rao T.V &amp; Moulik</td>
<td>33</td>
<td>242</td>
<td>20</td>
<td>49</td>
</tr>
<tr>
<td></td>
<td></td>
<td>SISI,ND</td>
<td>&quot;</td>
<td>35</td>
<td>405</td>
<td>29</td>
<td>38</td>
</tr>
<tr>
<td></td>
<td></td>
<td>IIT, Delhi</td>
<td>&quot;</td>
<td>45</td>
<td>90</td>
<td>25</td>
<td>20</td>
</tr>
<tr>
<td>6.</td>
<td>1980</td>
<td>Ranchi tribals</td>
<td>Vani</td>
<td>54.5</td>
<td>123</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>7.</td>
<td>1980</td>
<td>Maha &amp; Goa backward area</td>
<td>Deshpande &amp; Panwalkar</td>
<td>35.2</td>
<td>88</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Year</td>
<td>Event</td>
<td>Details</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>------</td>
<td>-------</td>
<td>---------</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1980</td>
<td>General</td>
<td>&quot;</td>
<td>31.1 119</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>SISI, Bom Asthana</td>
<td>&quot;</td>
<td>34.4 363</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>DBC, ND Shetty et al</td>
<td>&quot;</td>
<td>57 87</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>Gujarat Experienced Patel</td>
<td>&quot;</td>
<td>74</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Unemployed Engrs</td>
<td>95</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Educated unemp</td>
<td>55</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>EDP upto '76 (CED)</td>
<td>54 9309</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>11</td>
<td>USA (students) Clark et al</td>
<td>29 1265</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>12</td>
<td>SIET Mishra &amp; Chitra Rao</td>
<td>14.1 2608</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>13</td>
<td>SBI, Madras CGM -SBI</td>
<td>24.0 2508</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>14</td>
<td>MP SISI EDII</td>
<td>9.1 370</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>SBI SISI</td>
<td>25.8 132</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>MPCON</td>
<td>18.1 331</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>15</td>
<td>SISI, Ahd Selvaraj</td>
<td>20.0 31</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>16</td>
<td>Malaysia Patel</td>
<td>21.0</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>17</td>
<td>DST Internal records</td>
<td>12.5 207</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>18</td>
<td>RITES</td>
<td>&quot;</td>
<td>40 20</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>19</td>
<td>EMGEEBEE</td>
<td>&quot;</td>
<td>24 25</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>20</td>
<td>Canara Bank</td>
<td>&quot;</td>
<td>33.3 30</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>21</td>
<td>CODISSIA</td>
<td>&quot;</td>
<td>28.8 59</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>22</td>
<td>Indian Bank</td>
<td>&quot;</td>
<td>32.5 31</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>23</td>
<td>IOB</td>
<td>&quot;</td>
<td>9 22</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>24</td>
<td>SITRA</td>
<td>&quot;</td>
<td>33.3 18</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>