CHAPTER II

REVIEW OF LITERATURE

2.1 Introduction

A literature review is an account of what has been published on a topic by accredited scholars and researchers. The purpose of writing the literature review is to convey to the readers matters what knowledge and ideas have been established on a topic, and what their strengths and weaknesses are. As a piece of writing, the literature review must be defined by a guiding concept (e.g., research objective, the problem or issue taken up for the study). It is not just a descriptive list of materials available or set of summaries. In this context the researcher has made an attempt to review studies pertaining to entrepreneurship. The various studies undertaken for review have been classified into two groups, namely, studies relating to India and studies relating to other countries.

2.2 Studies Relating to India

Gadgil in his study “Modern Indian Business Class”, examined the Indian entrepreneurship presented in the context and background of the political instability accompanying the shift from Madurai dominants to European suzerainty, the pervasive influence of British and European economic power, the high degree of
urbanisation relative to the rest of the world, the self-sufficiency of rural economy, the development of the pre-condition for a technological and industrial revolution; the rapid increase in internal trade, the specialisation and the business.¹

Lamb in his analysis, “Rise of Indian Business Communities”, held that the rise of social communities (and families) in manufacturing and other large scale industries could be explained in terms of factors such as control over several operating firms through the managing agency, community mobilisation of resources, inter-community business linkages, and their inter-community marriage net work.²

Medhora in his observation on entrepreneurship in India stated that the development of entrepreneurship in manufacturing, finance and large scale trade could be traced with emphasis in three stages: (1) The period of laissez faire; (2) The era of Swadeshi; and (3) The period of economic planning after independence. He concluded that leading families and social communities were involved in entrepreneurial activity since the nineteenth century.³

²Lamb in Kilby, Peter (ed.), op.cit., p. 290.
³Medhora in Kilby, Peter (ed.), op.cit., p. 296.
Singh of National Council of Applied Economic Research in his study "Essays concerning some types of Entrepreneurship in India", stated that entrepreneurship involved the actual creation or extension of an organisation or institution which gave rise to various growth-producing phenomena such as increases in productivity, technical change, saving and investment.4

Brimeer in his study "Setting of Entrepreneurship", analysed the effect of the managing agency system on the setting of entrepreneurship in India. The managing agency system prevalent among large-scale industrial firms, was a type of industrial organisation in which the administrative, finance and promotion of one or more companies controlled single enterprises.5

Spodek in his study, "Manchesterisation of Ahemadabad", analysed the reasons for the rapid industrialisation in Ahmedabad, due to the development of socio-economic milieu for the rise of industrial entrepreneurship. He examined the development of social overhead capital, the improvement in political climate, the high business mortality, the establishment of financial and management institutions, and the availability of many complementary factors that eventually led to the faster industrialization of Ahemadabad.6

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4 Singh in Killby, Peter (ed.), op.cit., p. 298.
5 Brimeer in Killby, Peter (ed.), op.cit., p. 299.
6 Spodek in Killby, Peter (ed.), op.cit., p. 297
Kling, in his study, “Obstacles to Entrepreneurship in India: The Case of Bengal” analysed the reasons for the dislike of towards business activity by Bangalis.7

Mccrony in his study, “Case Studies in Latent Industrial Potential” accounted for the high mortality rate and lack of growth of firms of this type, and he recommended policies to improve the utilization of resources in the small industry sector.8

Hazlechurst in his study “Entrepreneurship and Merchant Castes”, analysed the effect of caste, socio-economic class, kinship structure and social community on the social context in which entrepreneurial activity is undertaken. He concluded that refuges entrepreneurs tend to more innovative in business than local entrepreneurs.9

Kameshwar Jha found that favourable economic environment had positive impact on entrepreneurship.10

Wayna Nafzinger in his study, “Class, Caste and Entrepreneurship of Vishakhapatnam in Andhra Pradesh”, came to the conclusion that a highly

7 Kling in Killby, Peter (ed.), op.cit., p.305.
8 Mccrony in Killby, Peter (ed.), op.cit., p.310.
disproportionate number of entrepreneurs were from high castes and families in the high socio-economic status.\textsuperscript{11}

R.A. Sharma observed two streams in entrepreneurial growth. In the familiar spheres the entrepreneurship was dispersed among various communities and in other spheres it was thinly spread among socially well-known communities. Strong desire to do something independent in life, technical knowledge and / or manufacturing experience, financial assistance from institutional sources, business experience in the same or related line, accommodation in industrial estates and heavy demand were the factors that induced the new and small entrepreneurial class. The emerging new entrepreneurial class was more open than the old.\textsuperscript{12}

H.N. Pathak in his study, “Small-Scale Industries in Ludhiana”, maintained that interplay of factors like favourable, timely and appropriate government policies and quick adaptability by the enterprises were responsible for the all-round growth of entrepreneurial talent.\textsuperscript{13}

M.V. Despande observed that political system was responsible for dormancy of entrepreneurship. Financial help from family and father’s occupational status

\textsuperscript{12}\textit{R.A. Sharma, Entrepreneurial Change in Indian Industry,} Sterling Publishers Pvt. Ltd., New Delhi.
were significantly related to entry. Industrial entrepreneurship was a result of collective ambitions and aspirations of the family.\textsuperscript{14}

V. Louis stated that earlier jobs in a similar unit prepared individuals for independent venture.\textsuperscript{15}

According to A.P. Upadhya, success of entrepreneur was due to incentives offered by development agencies, family upbringing from particular caste and craft providing attention to financial function and former education.\textsuperscript{16}

B.S. Bhatia investigated the history and present situation of 50 small units located in Punjab State. He studied the social economic background of entrepreneurs, their attitude towards industry, the ways in which they made the transition to industry and the problems they faced in establishing and building up their enterprises.\textsuperscript{17}

\textsuperscript{15}V. Louis, “Industrial Entrepreneurship in Coimbatore District, Tamil Nadu”, Centre for Advanced Study in Economics, Ph.D., thesis (Unpublished), Bombay University, 1982.
S.G. Bhanushali in his study, “Entrepreneurship Development”, observed that it was a characteristic feature of entrepreneurs of Kolhapur that as in the process of establishing their workshops they received help from earlier generation of entrepreneurs. So they, in their own turn, helped their relatives, acquaintances and promising workers to set up independent workshops.\textsuperscript{18}

Subbi Reddy and Sobha Reddi in their study, “Successful Entrepreneurship in Kurnool District”, stated that the reasons for the high success were: the age of 50 years or more; having technical education, having investment more than Rs.10 lakhs; having previous experience in service and in limited company type of ownership.\textsuperscript{19}

B.N. Singh in “A Case Study on Light Engineering Enterprises in Kavai Town in Uttar Pradesh” found that the quality of the entrepreneurs was governed by their response to change and attitude towards investment.\textsuperscript{20}

A case of industrial entrepreneurship in Madurai district surveyed by Florence Kasturibai revealed that social satisfaction such as caste, social sanctions or disapprovals and attachment to traditional activities had very little to do with


potential entrepreneur than the economic factors such as the talent to organise business, access to capital and technical knowledge. 21

A descriptive and diagnostic study of Madurai city, by the Gandhigram Rural Institute of Higher Education pointed out four attributes of the small entrepreneur in Madurai city as: (1) Credit oriented pre-planning to realise aspirations; (2) dependency, (3) initiative-innovativeness plus a need for achievement; and (4) moderate traditionalism with occasional risk-shifting. 22

Thanulingam Nadar examined some pre-entry background of entrepreneurs and according to him, the factors influencing the entrepreneurial development are: 1. Previous occupation in industry; 2. Favourable demand for products; 3. Locations near the residence of the entrepreneur, 4. Initial capital upto Rs.10 thousand, 5. Education upto S.S.L.C. and 6. Previous employment as a worker in large scale units. 23

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N. Durairaj and M.S. Nageswaran in their study, “Entrepreneurship in Small-Scale Industries in Paramakudi Taluk”, examined the growth of small-scale industrial units and the socio-economic factors responsible for the growth of entrepreneur, their achievements and their main problems. They concluded that the socio factors were favourable to entrepreneurs; nativity of entrepreneurs influenced the location of the industry; previous working experience in industry’s relationship between education and emerging entrepreneurship was limited and initial capital investment was upto Rs.10,000.24

Sidhardhan’s study of entrepreneurship in Kanyakumari district revealed that some historical, political, social and economic factors had a direct bearing on the emergence of entrepreneurship. Another observation was that forty-nine of the hundred entrepreneurs selected for the sample study were the first sons to their fathers.25

Singh Nagendra in his study, “Essays Concerning Types of Entrepreneurship”, focused on the growth in indigenous entrepreneurship after independence in the country as a whole. Both the public and the private sectors,

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including large scale and small-scale enterprises were discussed and evaluated in terms of their contribution to economic development.26

Soon after the formulation of the First Plan, a committee was appointed by the Planning Commission with Professor Karve, D.G. as Chairman. The committee recommended that any development programme for small industry should be decentralised, without reducing job opportunities.27

The study, "Case Studies in Latent Industrial Potential", undertaken by McCrory, suggested policies for improving the utilization of resources in the small industrial sector.28

Berna in his study, "Entrepreneurship in Madras State", highlighted that the main characteristics found in the entrepreneurs were access to capital, besides possession of experience of business and technical knowledge.29

Between 1964 and 1967 in the twin cities of Secundrabad and Hyderabad, Christoper (1969) studied 61 entrepreneurs who started small manufacturing units.

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26Singh Nagendra, *Essays Concerning Types of Entrepreneurship*, Management Development Institute, New Delhi, pp. 8-9.


He found that entrepreneurs having formal education, urban background, experience in industry, and had propensity were taking risks.\textsuperscript{30}

Hazlehurst in his study, “Entrepreneurship and the Merchant Castes in a Punjabi City”, concluded that refugee entrepreneurs tended to be more innovative than local entrepreneurs.\textsuperscript{31}

Krishnalal Sharma in his study, “A Study of Entrepreneurs of Kanpur City”, stated that entrepreneurs of Kanpur who did not possess technical knowledge adopted short term approach by maximising immediate returns without earning for the long term development and they were not dynamic to shift to new lines and methods of production.\textsuperscript{32}

The Ashok Mehta Committee (1968) set out the concept of viability and provided a specific place for Khadi and Village Industries in rural industrialisation. The main objectives set forth before the khadi and village industries programme were

\textsuperscript{30}K.J. Christopher, \textit{Socio-Psychological Factors Influencing the Adoption of Innovation of Starting of Small Industrial Unit}, SIET Institute, Hyderabad, 1969, pp. 68-71.


provision of employment, production of saleable articles, and creation of self-reliance among the people.\(^{33}\)

Small Industries Extension Training Institute, Hyderabad, 1974 undertook a study of the entrepreneurs in the small-scale industrial sector in the twin cities of Hyderabad and Secundrabad. The major findings of the study were that the typical entrepreneurs were above 39 years of age, they had formal college education and had come from a family with middle or low income.\(^{34}\)

Rao and Dixit in their study, "Psychological and Organisational factors in Successful Entrepreneurs", traced the background of small industry entrepreneurs from Bangalore. They reported that out of 78 entrepreneurs, 28 were formerly traders and financiers, 23 were skilled workers, 15 were former employees in private or Government or in business, six were graduate engineers and six came from miscellaneous backgrounds such as agriculture and rural artisan activities. The bulk of the entrepreneurs came from the trader and artisan communities. Thirteen had


\(^{34}\)"Socio-Psychological Factors Influencing the Adoption of the Innovation Starting a Small Industry Unit", *A Research Study*, Hyderabad, SIET Institute, 1974.
elementary schooling, 28 had completed the elementary schooling, 17 had high school education and 20 had higher technical education.\textsuperscript{35}

Puri Committee, 1978 went to the extent of recommending that commercial banks while financing small and tiny industries should not insist on equity from the entrepreneurs in initial stages. Additional concessions should be given to artisans, self-employed persons and the like.\textsuperscript{36}

The Khadi and Village Industries Commission (KVIC) appointed a committee under the Chairmanship of V. Ramachandran, to consider and suggest details of policy protection, reservation of fiscal incentive programmes and to prepare broad outlines of the expansion of activities of Khadi and Village Industries. The Committee designed a six year plan for these industries, the thrust of which would be the "creation of employment opportunities as quickly as possible", and "arresting the massive migration from rural industries to swell the ranks of agricultural labour or to flood the slum population in the urban areas".\textsuperscript{37}

Sarveswara Rao and Nafziger in their study, "Entrepreneurship in Small Industry in Visakhapatnam in Andhra Pradesh" underlined the crucial importance of


\textsuperscript{36}Government of India, \textit{Puri Committee}, 1978.

\textsuperscript{37}\textit{Report of the Committee for Sixth Five Year Plan}.\textsuperscript{37}
education, training and work experience for successful development of modern entrepreneurship.\(^{38}\)

A study of the small-scale enterprises carried out by I.M.D. Little\(^{39}\) (1987) examined the relative factor intensity, productivity and economic efficiency in five industries engaged in producing shoes, printing, soap, machine tools and metal casting.

The study further examined the relationship between the size and the technical efficiency in production, using a three-factor frontier trans log production function to measure the technical efficiency. Frontier production function had been used in the study to predict the maximum output that could be obtained from a given set of production inputs, based on the best practice that was actually observed in the sample. The extent of the technical efficiency was expressed as a Farrel index of one and the technically inefficient firms had indices of less than one. This study revealed that the technical efficiency differentials among the firms were positively associated with the TFP in only one out of the five industries studied, namely the machine tools manufacturing industry. The other variables contributing to productive efficiency in one or more of the industries indicated that the age of the enterprise, the advantage of


capital stock, the level of experience and the level of managerial education and training were the other factors which contributed to productive efficiency.

N. Durairaj and M. Soundara Nageswaran\textsuperscript{40} (1988) in their study, “Entrepreneurship in small-scale industries in Paramakudi Taluk”, examined the role of the entrepreneur in small-scale industries. Though it was a micro level study, it threw much light on the social profile of the entrepreneurs in the small-scale industrial units and disclosed the problems faced by them.

Shetty\textsuperscript{41} (1990) in his study, “District Industries Centres’ Programmes – An appraisal”, stated that the industrial scenario in the country encompassed the organised large and medium industries, modern small-scale industries and the unorganised traditional industries. Of the last two segments of the industrial structure, the VSI sector proved to be one of immediate concern. It consisted of a number of sub-sectors, such as khadi and village industries, handlooms, sericulture, handicrafts, coir, small-scale industries and the power looms. The last two represented the modern type of small-scale industries and the remaining six sub sectors came under the classification of the traditional industries. Considering the inherent advantages of the VSI sector in regard to their potential for employment generation, for rectifying regional imbalances, for ensuring equitable distribution of

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income and economic benefits, for facilitating the use of local resources, both human and material, and for checking the exodus of the labour force to the urban areas, the need for promoting and developing such types of industries was emphasised in the various Industrial Policy Resolutions.

Vaidyanathan\textsuperscript{42} (1991) treated the small-scale industry as an equivalent of the non-factory sector industries and found that nearly three-fourths of the addition in the manufacturing non-factory industry was contributed by such types of industries. He stated that this was a reflection of the shift of the industries from the household to the non-household sector. He stated that it was perhaps better to approximate the small-scale sector to the non-household non-factory segment of the manufacturing sector.

Sandesara\textsuperscript{43} (1993) treated the enterprises, which were eligible for Government assistance and were under the purview of the Small Industries Development Organisation (SIDO) as the small-scale sector. Based on data collected from the two census of such units, he argued that, during the period 1972 to 1987-88, productivities of both labour and capital had increased over the period under reference. An important causal factor was found to be the substantial increase in the capital intensity. Structural changes had taken place in the form of increased employment, value addition and increased shares of fixed capital in the industrial sector.


groups of food, textiles and services. The metal products group was found to be losing in their respective shares. He also noted the poor performance of the units producing exclusively reserved products and he attributed this feature to the possibility that the reservation might have attracted more units, both old and new, compared to the other areas of the small-scale industry and also due to the continuation of the productive activity by the inefficient producers.

Chandra\textsuperscript{44} and others (1993) in their study, found that the importance of the small-scale sector could be positively emphasised in view of its potential for creating employment, on the assumption of a low capital output ratio. The employment generating capacity of the small-scale and the village industries was observed to be higher by eight times than that of the large-scale industries. With the increasing mechanisation of the SSI units, this potential might get lowered.

Reddy\textsuperscript{45} (1994) pointed out that the small-scale sector which had registered high rates of growth since the 1970s had been affected by the new economic reforms which had harmed the small-scale units in more ways than one. Despite its impressive records of production, the growth in employment was a mere three per cent increase. It was widely believed that a shift in favour of the growth of the small-


scale industry would result in the generation of more employment and new incomes
and would also bring about a more equitable distribution of income and wealth. The
survey pointed out that the number of small-scale units was provisionally estimated
to have gone up from 19.48 lakhs in 1992-93 to 29.80 lakhs in 1993-94.

K.V. Ramaswamy\textsuperscript{46} (1994) in his article, "Small-Scale Manufacturing
Industries - Some Aspects of Size, Growth and Structure", pointed out that the rise in
the share of the non-factory segment between 1981 and 1991, ranged between
56 per cent to 65 per cent and the decline of the factory sector varied between
44 per cent to 35 per cent. Further, the SSI units recorded very impressive growth
rates of employment and the value added to production across the various industrial
groups. The structure of the SSI sector had not undergone any substantial change
over the period 1972-73 to 1987-88. Broadly speaking, the primary material of agro-
based industries, namely, food products, beverages and tobacco, wood, leather and
paper products, had shown a tendency to improve their employment position and
shares of value added production in relation to the metal-based industries. Their
better economic performance perhaps was largely due to the specific characteristics
of the industries rather than due to the protection given by the Government.
Therefore, the author stated that the characteristics of the industries were more

\textsuperscript{46} K.V. Ramaswamy, "Small-Scale Manufacturing Industries - Some Aspects of
important determinants of growth of small-scale enterprises. Finally, he observed that, in the year 1987-88, wages in the SSI sector were found to be lower compared to the wages in the large-scale sector but the labour productivity was not proportionately lower which was probably due to the labour cost advantages of the small-scale units in production.

Nanjundan\textsuperscript{47} (1994) emphasised the fact that the use of the microprocessors had brought about a technological revolution and had affected the manufacturing methods in the enterprises in the developed countries in a significant way which tended to favour small-scale production. This technological revolution known as the flexible manufacturing system (FMS) would become the most important factor affecting the small-scale industries in the developing countries in the next one or two decades. It might be too early to judge the efficacy of the strategy to bring about the desired outcome. But rapid technological changes taking place in all the countries of the world were expected to revitalise the small-scale sector. It could be perceived that the future prospects of the small-scale industry would be based on competition, productivity and efficiency.

T.L.N. Swamy\textsuperscript{48} (1995) in his study, "Eighth Five Year Plan – Role of Small Industry", concluded that the small industry exhibited a high growth of productivity and a low growth of employment during 1980-90 compared to the period of 1973 to 1980 in India. It might be due to the fact that the small industry had become more and more capital intensive during the eighties, since use of capital had grown at a very high rate compared to that of the growth in employment. Moreover, the growth in capital was also closely associated with technological advancement which had reduced the employment of labour.

Hina Sindhu\textsuperscript{49} (1998) in his study revealed that the relative importance of the SSI sector in employment generation had increased over a period of time. The other findings of the study were that there had been a decline in employment in the household industries, a decline in the contribution of the large-small-scale sector to employment generation, a substantial contribution by five industry groups, namely, chemicals, non-metallic mineral products, basic metal products and machine tools to employment generation in Gujarat, and lack of adequate evidence for the application of the style-based model in Gujarat, as the structural changes in the industrial sector were often accompanied by a very great emphasis on development of the SSI sector.

The Economic Unit of the Indian Institute of Public opinion\textsuperscript{50} (1999) had suggested that indigenous as well as imported raw materials should be made available to the small sector at reasonable prices. Organisations such as The State Trading Corporation and The State Export Corporation should take the entire responsibility for providing raw materials and also for the marketing of the products of the small sectors. It was necessary to incorporate special export promotion cells in organisations created for the development of the small-scale sector. Special attention should be paid to project the products of the small-scale sector in trade fairs and exhibitions overseas. It would be desirable to organise specialised exhibitions devoted exclusively for projecting India's small-scale sector products in strategic overseas markets. It was necessary to encourage the SSI units to participate in the overseas exhibitions free of cost and the expenses of their personnel at these exhibitions should be heavily subsidised by the Government.

2.3 Studies Relating to Other Countries

Kent (1982) in his book, “The Environment for Entrepreneurship,” pointed out that entrepreneurship was a method to increase the number of minority and women-owned businesses. From 1977 to 1981, the increase in minority-owned businesses exceeded the growth of business as a whole. Women owned businesses during the same period increased by one-third.

In a study by Bettencourt (1980) University “Competencies Validated for Entrepreneurial Training of Secondary Vocational Studies”, found that business failures were 50 percent within two years of their inception. One factor which contributed to the business failures was the lack of proper preparation for ownership and operation of a business. Potential entrepreneurs may end their formal education at high school graduation. Therefore, Betten court recommended that high school programs have to offer entrepreneurial training.

McClelland (1986) in his article, “Characteristics of Successful Entrepreneurs,” enlisted the assistance of McBer and company to develop an instrument, which would measure an individual’s need for achievement. After

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refining the instrument, it was administered to many individuals, particularly in
countries economically deprived. McClelland found that individuals could be trained
to develop a high need for achievement. Once again, he worked with McBer to
develop an instrument which would determine if successful entrepreneurs possessed
more key traits for success than average entrepreneurs. The research revealed that
successful entrepreneurs were more proactive, achievement oriented, and committed
to others than average entrepreneurs. In addition, both sets of entrepreneurs were
found to possess the following traits at the same level: self-confidence, persistence,
persuasion, use of influence strategies, expertise, and information seeking. The study
did have its limitations. One limitation, which is pertinent to this study, was that
non-entrepreneurs were not studied. Therefore, it could be possible that all of the
competencies were more characteristic of entrepreneurs than non-entrepreneurs. In
addition, the instruments developed by McClelland needed to be administered,
interpreted, and evaluated by psychologists because the results were difficult for a
layman to interpret.

Many researchers have studied risk-taking as a characteristic of an
entrepreneur. Brockhaus54 (1982) reviewed studies by Atkinson, Bosley, Hull, Lies,
McClelland, Palmer and Udel which all determined that risk-taking in varying

and K.H. Vesper (Eds.), Encyclopedia of Entrepreneurship, Englewood Cliffs, New Jersey:
degrees was indicative of entrepreneurs. Brockhaus’ review of Atkinson work indicated that when there is greatest uncertainty of the outcome of a situation, performance level should be greatest. There are contradicting studies using a test developed by Kogan and Wallach, Brockhaus studied the risk-taking propensity of entrepreneurs and managers. He found no significant difference in risk-taking between the two groups. Because both scores of entrepreneurs and managers were clustered around the mean score of Kogan and Wallach’s original study, Brockhaus concluded that both entrepreneurs and managers were moderate risk-takers. However, Brockhaus then compared the entire range of scores, he obtained with scores for Kogan and Wallach’s study of risk-taking propensity of general population. The study found no distinguishable difference in risk-taking scores among the three groups. There fore, Brockhaus concluded there was no risk-taking difference in entrepreneurs, managers and the general population.

Hornaday and Bunker\(^5\) (1970) conducted a study to identify and measure the personal traits of a successful entrepreneur. To develop an instrument for the study 20 entrepreneurs were interviewed individually at least four times over several months. Background information of these entrepreneurs was obtained through these interviews. To determine what traits these entrepreneurs believed were essential for the successful start-up of a business, a self-rating scale of 21 personality traits and a

series of questions were used. This information was formulated into an interview Guide sheet. In addition, three objective tests also were utilised to determine personality and motivation traits of entrepreneurs: Occupational Interest Survey (OIS), Edwards Personal Preference Schedule (EPPS), and Survey of Interpersonal Values (SIV). He administered the five-point Likert Scale Survey of traits to entrepreneurs. The traits the entrepreneurs rated a score of one were: intelligence, taking initiative, creativity, self-reliance, energy level and the need for achievement. The traits the entrepreneurs rated a score of four were: risk-taking, leadership effectiveness, ability to relate effectively to others, physical health, desire for money, innovation and accuracy in perceiving reality. The EPPS instrument indicated that entrepreneurs scores considerably higher on the achievement and autonomy scales. Hornaday and Bunker concluded that not enough tests were administered to give definite answers but suggested further study using the instruments with more subjects.

Cox and Sommer⁵⁶ (1998) reported on the casual dimension underlying the entrepreneur's own explanation for success or failure. One hundred eighty-seven entrepreneurs completed a questionnaire and Russell's Casual Dimension scale determined underlying factor which attribute to the business's success or failure. The

⁵⁶L.W. Cox and S.M. Sommer, "Casual Dimension Underlying the Entrepreneur's Own Explanation for Success or Failure", (On line), Available at www.halson.edn.entrep/per/papers98.XII/XII_A/XII_A_text.htm. 1998.
results indicated that the entrepreneurs believed effort and skill were the major reasons for their success and that they had an internal locus of control. Cox and Sommer concluded that those entrepreneurs who succeed believe that they are the source of their success and that their success is controllable.

Mancuso⁵⁷ (1974) in his article “The Entrepreneur’s Quiz” developed a quiz to determine if a person possesses the traits to be an entrepreneur. The quiz was not based on experimental research, but was created through his observations and interactions with over 250 entrepreneurs. The quiz was designed to provide information and insight into the entrepreneurial traits and addresses the personal side of entrepreneurship. In addition, Mancuso offers explanations for his choice of answers. While this instrument is not standardized, it is popular with persons seeking in impetus for further entrepreneurial investigation. In conclusion, the previously cited studies were conducted predominantly during the 1970s and tend to support these entrepreneurial traits; need for achievement, an internal locus of control, independence, risk-taking, leadership, and a low need for support. Unfortunately, the need for conducting research into the traits of entrepreneurs seemed to fade during the 1980’s and the focus of the 1990’s research has been in the education, training

and development of entrepreneurs not determining what traits individuals should possess to become successful entrepreneurs.

David F. Llewellyn and Kerry M. Wilson\textsuperscript{58} in their article titled, "The Controversial Role of Personality Traits in Entrepreneurial Psychology" critically evaluated the usefulness of personality traits in the explanation and prediction of entrepreneurship. Both contemporary theory and existing empirical findings are reviewed. Emphasizing the need for conceptual clarity and methodological reform detailed recommendations for future research are outlined. This critique is complemented by a detailed case study of a practical research design drawn from an ongoing project. Taken together, these provide a powerful illustration of how abstract principles can be used to inform research practices, and the underlying message emanating from this evolving body of knowledge can be used to enrich teaching materials and educational activities.

Gangaram Singh and Alex Denoble\textsuperscript{59} in their study, "Views on Self-Employment and Personality: An Exploratory Study" explored the relationship between early developmental views on self-employment (intent, perceived ability, and personal investment) and personality (extraversion, agreeableness,


consciousness, openness and neuroticism). The data are taken from 342 students from a large state University located on the West Coast of the United States. Regression analysis indicated that views on self-employment are related to personality. Openness, for example, is positively related to perceived ability and personal investment. Neuroticism is negatively related to intent and ability. Their results also indicate significant interactions between personality, gender and having a close self-employed relative with respect to views on self-employment. In the final section, these results were analysed and a future research agenda was identified.

J. Robert Baum and Edwin A. Locke,\textsuperscript{60} in their study, "The Relationship of Entrepreneurial Traits, Skill and Motivation to Subsequent Venture Growth" found that previous research on entrepreneurship as well as goal, social cognitive, and leadership theories has guided hypotheses regarding the relationship between entrepreneurship traits and skill (passion, tenacity and new resource skill) and situationally specific motivation (communicated vision, self-efficacy, and goals) to subsequent venture growth. Data from 229 entrepreneur-chief executive officers and 106 associates in a single industry were obtained in a 6-years longitudinal study. Structural equation modeling revealed a web of relationships that impact venture growth. Goals, self-efficacy, and communicated vision had direct effects on venture

growth, and these factors medicated the effects of passion, tenacity, and new resource skill on subsequent growth. Furthermore, communicated vision and self-efficacy were related to goals and tenacity was related to new resource skill.

Hannu Littunen in his article, “Entrepreneurship and the Characteristics of the Entrepreneurial Personality” examined the characteristics of the entrepreneurial personality and the effects of changes in the entrepreneur’s personal relationship. According to the empirical findings, becoming an entrepreneur and acting as an entrepreneur are both aspects of the entrepreneur’s learning process, which in turn has an effect on the personality characteristics of the entrepreneur. The entrepreneur’s drive to solve problems (mastery) had increased, and control by powerful others decreased since the start-up phase. Changes in the entrepreneur’s relations with others were also observed to have an effect on the entrepreneur’s personality characteristics. The empirical findings also show that as the number of co-operative partners decreased, control by powerful others also decreased, and that, since the start-up phase, entrepreneurs whose personal relations had increased also showed a clear increase in mastery.

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Patrik J. Murphy, Jianwen Liao and Harold P. Welsch in their paper “A Conceptual History of Entrepreneurial Thought” found that the importance and impact of the entrepreneurship field is increasing in academic and practical settings. A historical view on the conceptual development of entrepreneurial thought provides a lens for scholars as well as practitioners to intercept and explain their own entrepreneurial activity or research and formulate new questions.

T.K. Das and Bing-Sheng Teng, in their study, “Time and Entrepreneurial Risk Behaviour” stated that risk and risk behaviour form an important segment of the entrepreneurship literature. Entrepreneurial risk behaviour has been studied with both trait and cognitive approaches, but the findings do not adequately explain either how entrepreneurs differ from non-entrepreneurs, or how different types of entrepreneurs can be specified in terms of their risk behaviour. This paper is an attempt to address these issues by introducing two temporal attributes that they consider significant for understanding risk behaviour, given that risk is inherently embedded in time. First, they suggest the notion of risk horizon, differentiating short-range risk from long-range risk. Second, they examine the risk behaviour of entrepreneurs in terms of their individual future orientation, in tandem with their risk

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propensity. They propose to temporal framework that seeks to explain, at once, the different types of risk behaviour among entrepreneurs as well as the distinction between entrepreneurs and non-entrepreneurs. Finally, a number of propositions are developed to facilitate empirical testing of the insights implicit in the temporal framework of entrepreneurial risk behaviour.

Donald L. Sexton and Nancy B. Bowman⁶⁴ in their paper, “Personality Inventory for Potential Entrepreneurs: Evaluation of a Modified JPI/PRF-E Test Instrument”, presents the results of a validation study of modified Jackson Personality Index (JPI) and Personality Research from – E (PRF-E) tests designed to measure nine psychological characteristics which previous research has found to discriminate students majoring in entrepreneurship from other students majoring in the more functional business areas and from students majoring in non-business areas. The modified test was administered to 43 entrepreneurship majors, 41 business major in areas other than entrepreneurship and to 51 non-business majors. Statistical techniques consisting of a multivariate analysis of differences between group means and two multiple comparison tests; Scheffe’s multiple comparison procedure and Bonferroni’s t-test of differences at an alpha level of 0.05, showed significant

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differences occurred in the means of the nine variables measured. It was demonstrated that the reliability and validity of the modified JPI/PRF-E tests were not adversely affected by reducing the variables measured and combining the tests.

Renoto R. Bellu, Per Davidson and Connie Goldfarb in their work, “Toward a Theory of Entrepreneurial Behaviour: Empirical Evidence from Israel, Italy and Sweden,” administered the translated versions of the Minor Sentences completion scale-Form T and of the Differential Attribution Questionnaire to entrepreneurs and to managers, in Israel, Northern and Southern Italy and Sweden. The results of this research yield strong support for a framework that integrates affective and cognitive motivational factors. In particular, it found: (1) that the way entrepreneurs deal with negative outcomes explains their perseverance and affects their self-achievement; (2) a risk-avoidance and personal innovation appear to be major components of task motivation. This research appears to move closer toward a more parsimonious and clearer understanding of the behaviour of the central figure in wealth formation, thus providing a framework for the designing of entrepreneurial development programmes.

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It can be understood from the above review that this research work tries to fill a few gaps in the subject of study. While majority of the studies happen to be at the macro level, this study is a more specific analysis in a micro frame. It is able to lay stress on certain vital issues that needed a more serious discussion. To a large extent, the study can be regard as a pioneering one.

It can be understood that this research work tries to fill a few gaps in the area chosen. This is a micro study giving due stress to problems and issues which are in a way unique in nature. Moreover, this work is able to throw more light on vital aspects.