CHAPTER 7
DISCUSSION AND CONCLUSION

The current research attempts to look at the three research questions and the associated null hypotheses. This chapter will review the results narrated in Chapter 6 based on the data analysis. The first section will do a general summary discussion of the four facets of the current study. The second section will review the significant associations between Cultural Dimensions and performance between the two sample States, Kerala and Maharashtra across the sixteen identified combinations of segments. The third section of this chapter will discuss the implications of the various findings. The conclusions arrived at from the findings will be discussed in the fourth section. Section five will bring out the limitations of the present study. The last (seventh) section will discuss the scope of future research in the related areas.

7.1 Introduction

The current study has mainly four facets. The first one is the exploratory and validation phase of the study where a structured interview/survey was done with forty Indian experts to elicit their emic or insider views on the applicability of Hofstede’s cultural dimensions for the micro, small and medium entrepreneurs of India. The review of literature had made it clear that the most seminal work on culture was that of Hofstede and there were enough reasons to consider his cultural framework as the baseline for this study; his views came from a etic or global perspective and so there was need to get an insider or emic perspective and hence the need to approach the Indian experts. The experts’ inputs validated the applicability of Hofstede’s six cultural dimensions for India, but stated that the regional cultures of India differed considerably across North, South, East, West, North-East and also South-East which, in other words, re-affirmed the diversities in a united India. They also came up with an additional seventh dimension called Ethnic Orientation which according to them was important in assessing the cultural attributes of Indian entrepreneurs. This validated cultural framework was used for the preparation of the questionnaire for the data survey. Hofstede has promulgated the fact the world cultures differed across
nations and interestingly this exploratory study done with Indian experts affirmed the reality of cultures in India being different across the various regions of the country. The only study done earlier to this one is by Hofstede himself who along with his associates (Hofstede et al, 2010a) had done a study of inter regional cultures in Brazil.

The second facet of this study looks at how the performance of entrepreneurs varied across various MSME sectors or segments like States, location (rural or urban) types, enterprise (micro, or small and medium) types and business (manufacturing or service) types. Here two sample states were selected based on their contribution (Gross Value Added or GVA) to the respective state’s gross domestic product (GSDP). Kerala from the first half (in the order contribution of GVA to GSDP) and Maharashtra from the lower half were selected for the study. The variance between the mean values of performance variable (the annual growth rate percentage of revenue per employee) across the various MSME segments formed by State, location type, enterprise type and business type led to the finding of a trend of the performance variables being significantly higher across the two States. It was also relatively higher for Kerala for all the sixteen interactions of segments. Another trend was that of the performance variable being higher across urban locations, small and medium enterprises and also manufacturing businesses. The third trend that was observed was the small and medium enterprises and manufacturing businesses performing comparatively better in urban location than in rural locations.

The third facet is around the behavioural trends between Cultural Dimensions (although the variances in all these cases were not significant) and various MSME Segments. Table 7.1 gives the significant behaviours of cultural dimensions across various segments.

The current study results also bring out (Table 6.5.18) interesting correlations between Power Distance and Risk-taking propensity across location types and also enterprise-business type interactions. Here one finds that acceptance of power hierarchies or following the hierarchical discipline seems to go with high risk taking propensity. One of the reasons for this relationship could be because in a high power distance situation individuals prefer to leave the decisions to the higher power centres and may not really be worried about risks from that perspective as if somebody is there to take care.
Table 7.1: Significant Cultural Dimensions across MSME Segments

<table>
<thead>
<tr>
<th>Segments</th>
<th>Significant Dimensions</th>
</tr>
</thead>
<tbody>
<tr>
<td>State</td>
<td>PD         CD  MD</td>
</tr>
<tr>
<td>Location type</td>
<td>PD         RP</td>
</tr>
<tr>
<td>Enterprise type</td>
<td>ID         ID</td>
</tr>
<tr>
<td>Business type</td>
<td>ID         ID</td>
</tr>
<tr>
<td>State*Location type</td>
<td>RP         MD</td>
</tr>
<tr>
<td>State*Business type</td>
<td>RP         MD</td>
</tr>
<tr>
<td>Location type*Business type</td>
<td>ID         EO</td>
</tr>
<tr>
<td>Enterprise type*Business type</td>
<td>PD         RP</td>
</tr>
<tr>
<td>Location type<em>Enterprise type</em>Business type</td>
<td>EO</td>
</tr>
</tbody>
</table>

Abbreviation: PD-Power Distance; RP: Risk-taking Propensity; CD: Collectivism; MD: Masculinity Dimension; PO: Pragmatic Orientation; ID: Indulgence Dimension; EO: Ethnic Orientation

Similarly, Risk-taking propensity and Masculinity Dimension are highly correlated across State-location type and State-business type interactions. This seems logical as Masculinity comes with high aggression, high ambitions and high appetite for material gains. This can definitely be the trigger for people to go for risks since their urge to achieve material success overcome the fear of uncertainties or risks.

The fourth and last aspect of this study is the analysis of how cultural dimensions of entrepreneurs influence their performance. The analysis of the data led to the realization that the cultural attributes of entrepreneurs do influence their competence to perform with respect to the management of the human resources which is the most crucial part of management of MSMEs. A few of the noticeable trends in the results of the data analysis could be highlighted.

Power Distance was found to be directly and significantly associated with two small and medium-manufacturing sectors of Kerala and with one small and medium-manufacturing sector of Maharashtra. On the other hand it was inversely associated with two service sectors in Maharashtra. The behaviour of this dimension leads to the observation that success of manufacturing enterprises in the small and medium segment which had higher investment and delivery stakes needed a disciplined and focussed work style which could have been facilitated more by the hierarchical and controlled environments. Conversely, the Service business needed more space at employee level and a more collaborative work style which justifies the behaviour.
### Table 7.2: Significant Associations between Cultural Dimensions and Performance

<table>
<thead>
<tr>
<th>Cultural Dimension</th>
<th>Nature of Influence</th>
<th>Sample Segments Kerala</th>
<th>Sample Segments Maharashtra</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Power Distance</td>
<td>Direct</td>
<td>Urban, Small and Medium, Manufacturing</td>
<td>Urban, small and medium manufacturing</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Rural, small and medium, manufacturing</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Inverse</td>
<td></td>
<td>Rural, micro, service</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Urban, small and medium service</td>
</tr>
<tr>
<td>2. Risk-taking Propensity</td>
<td>Direct</td>
<td>Rural, small and medium, manufacturing</td>
<td>Urban, small and medium, service</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Urban, micro, service</td>
<td></td>
</tr>
<tr>
<td>3. Collectivism</td>
<td>Direct</td>
<td>Urban, micro, manufacturing</td>
<td>Urban, small and medium manufacturing</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Urban, small and medium, service</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Inverse</td>
<td>Urban, small and medium, service</td>
<td>Rural, micro, service</td>
</tr>
<tr>
<td>4. Masculinity</td>
<td>Direct</td>
<td>Rural, micro, manufacturing</td>
<td>Rural, small and medium, manufacturing</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Urban, small and medium, service</td>
<td>Rural, small &amp; medium, service</td>
</tr>
<tr>
<td></td>
<td>Inverse</td>
<td>Urban, micro, manufacturing</td>
<td></td>
</tr>
<tr>
<td>5. Pragmatic Orientation</td>
<td>Direct</td>
<td>Urban, Small and Medium, Manufacturing</td>
<td>Urban, small and medium manufacturing</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Rural, micro, service</td>
</tr>
<tr>
<td></td>
<td>Inverse</td>
<td>Urban, Small and Medium, Manufacturing</td>
<td></td>
</tr>
<tr>
<td>6. Indulgence</td>
<td>Inverse</td>
<td>Urban, small and medium, manufacturing</td>
<td>Urban, micro, service</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7. Ethnic Orientation</td>
<td>Direct</td>
<td>Rural, micro, service</td>
<td>Urban, small and medium, manufacturing</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Urban, small and medium, service</td>
<td>Rural, micro, manufacturing</td>
</tr>
<tr>
<td></td>
<td>Inverse</td>
<td>Urban, Small and Medium, Manufacturing</td>
<td>Rural, micro, service</td>
</tr>
</tbody>
</table>
**Risk-taking Propensity** was found to be significantly and directly associated with the highly competitive and challenging work environment (urban-small and medium-service sector) of Mumbai and other key centres of Maharashtra as compared to Kerala where availability of resources had never been an issue, but the environment was far from being competitive or challenging. The risk appetite was found to be low in Kerala as compared to Maharashtra for these sectors.

**Collectivism** was significantly and directly associated with one sector each of Kerala and Maharashtra both urban, manufacturing sectors while it was inversely associated with one urban service sector of Kerala. There was increased collective behaviour among urban, manufacturing sectors of both the states. On the other hand reduced collectivism and probably higher individualism was indicated in urban service sector of Kerala where there could be high levels of competition. It could also be possible that the service industry in Kerala is still emerging and not that stabilized as Maharashtra. Surprisingly Collectivism is not showing any significant associations with the rural sectors in either of the states.

**Masculinity** was seen to be in direct association with one segment each from Kerala and Maharashtra. It was also observed to be inversely associated with one segment from Kerala and two segments from Maharashtra. This was more in tandem with the experts view (Chapter- 4) that India had both masculine and feminine attributes which were spread across various regions.

**Pragmatic Orientation** was observed to be directly associated with performance across two segments of Maharashtra as compared to the inverse association with one segment of Kerala. So it could mean that the entrepreneurs from Maharashtra were using their long term or pragmatic orientations to their advantage in a much wider way than those from Kerala, where the normative orientation is associated with higher performance.

**Indulgence** was found to have inverse associations, across all the three sectors of Maharashtra which clearly explains the work style of high restraint that this state had for the MSMEs. Restraint, therefore, was found to be the mainstay of entrepreneurs in Maharashtra. There was no significant effect observed for indulgence or restraint.
for any of the sectors of Kerala which probably denotes presence of entrepreneurs with both the attributes in that state.

**Ethnic Orientation** gave out a balanced situation with high ethnic orientations favouring business performance and in certain other cases low ethnic orientation being associated with performance. While the significant and direct association of this dimension with performance was with one sector of Kerala, the inverse associations were with two sectors each. That means that both high and low ethnicity leads to performance. One may have to delve deep into identifying precisely the nature of ethnic orientations as seen in the exploratory analysis. Ethnicity could be due to multiple reasons and this finding makes one look out for more precise reasons for these behaviours.
7.2 Significant associations between Cultural Dimensions and performance between the two sample States, Kerala and Maharashtra.

A comparative analysis of the nature of dependence and possible explanation of such dependence between performance and the seven cultural dimensions across the sixteen MSME segments across the two states is attempted in the following sections.

7.2.1 Micro, manufacturing enterprises from rural locations

**Kerala**

**Direct Associations:**
The only cultural dimension found to be significantly influencing performance of entrepreneurs of micro, manufacturing enterprises from the rural location of Kerala was the Masculinity Dimension and the nature of association was observed to be DIRECT. Masculinity as one understands leads to high competitiveness, aggressive ambitions and material gains. It was interesting to note that these attributes were helping the entrepreneurs of this sector achieve higher efficiency and managing their enterprises. The analysis of the spread of Masculinity across various segments indicated significantly higher presence in Maharashtra than in Kerala.

**Inverse Associations:**
None of the cultural dimensions were inversely associated with performance for this segment of Kerala.

**Maharashtra**

**Direct Associations:**
None of the cultural dimensions were directly associated with performance for this segment of Maharashtra.

**Inverse Associations:**
Ethnic Orientation was found to be significantly and inversely associated with performance in this sector of Maharashtra. This means that lower levels of ethnicity was helping entrepreneurs achieve higher productivity. This had to be seen against the earlier finding during the analysis of variance that the mean score of ethnic orientation was significantly higher in Maharashtra. It could therefore also signify that despite the higher levels of ethnicity being seen in Maharashtra it had not been contributing sufficiently in achieving revenue per employee which was the indicator for performance in the current study.
7.2.2 Micro, service enterprises from rural locations

**Kerala**

**Direct Associations:**
Ethnic Orientation was seen to significantly and directly influence the performance of entrepreneurs of this segment. This relationship means that there has been high level ethnic association between entrepreneurs of micro, service enterprises from rural locations of Kerala which was helping them achieve higher levels of performance. This was despite the fact that Kerala’s mean score on ethnic orientation was significantly lower than that of Maharashtra.

**Inverse Associations:**
None of the cultural dimensions were inversely associated with performance for this segment of Kerala.

**Maharashtra**

**Direct Associations:**
Pragmatic Orientation is significantly and directly associated with performance. This segment of Maharashtra consists of increasingly competitive retail trade and real estate agencies. The latter offer opportunities for city dwellers to buy weekend residences in the rural suburbs of Mumbai and other major cities of Maharashtra and are pragmatic and long term goal oriented.

**Inverse Associations:**
Power Distance being inversely associated means that lower levels of this dimension was directly associated with performance. The service sector necessarily provides larger power and delegation to its employees. Workers were collaborative and interdependent (and not fully dependent on a single authority). There was a preference for consultation and subordinates had ample delegation to take decisions. The inverse association between Masculinity and performance means that lower levels of masculinity or higher levels of femininity helped entrepreneurs achieve higher performance for this segment of Maharashtra. Ethnicity was also inversely associated. A low level of Ethnicity was resulting in higher performance.
7.2.3 Small and medium, manufacturing enterprises from rural locations

**Kerala**

**Direct Associations:**

*Power Distance* was directly associated with performance which means that entrepreneurs of this segment from Kerala were found to have a relatively larger acceptance and compliance to power hierarchies. The manufacturing enterprises were more concerned with experience, training, and discipline. So it could be possible that the management style warranted larger power distance attributes for effective performance.

**Inverse Associations:**

*Risk-taking Propensity* being inversely associated with performance means that low level of risk propensity/high level of risk and uncertainty avoidance would be directly associated with higher performance. It was found from the survey notes that the manufacturing sectors which were highly investment oriented did not dare to take too many risks. Specific cases were the export oriented sea-food processing enterprises, small and medium IT equipment manufacturers, electrical, mechanical and electronic component manufacturers whose delivery cycles were fixed and non-delivery led to penalties/financial losses.

**Maharashtra**

**Direct Associations:**

The only cultural dimension found to be significantly influencing performance was *Masculinity* and the nature of association was direct. Rural locations had a higher spread of Masculinity in Maharashtra compared to urban locations and so it was natural that this high level of masculinity had been useful for entrepreneurial performance in this segment.

**Inverse Associations:**

None of the cultural dimensions were inversely associated with performance for this segment of Maharashtra.
7.2.4 Small and medium, service enterprises from rural locations

**Kerala**

Direct Associations:
None of the cultural dimensions were directly associated with performance for this segment of Kerala

Inverse Associations:
None of the cultural dimensions were inversely associated with performance for this segment of Kerala

**Maharashtra**

Direct Associations:
None of the cultural dimensions were significantly associated with performance as there was no valid output/inference for the regression results for this segment of Maharashtra.

Inverse Associations:
Masculinity was observed to be inversely associated with performance which means that the MSME entrepreneurs in this segment were more feminine. Entrepreneurs from the service segments appeared to be relatively more feminine than those from the manufacturing segment.
7.2.5 Micro, manufacturing enterprises from urban locations

Kerala

**Direct Associations:**
The direct association between **Collectivism** and performance could be related to the earlier finding in Section 6.4 (Fig. 6.4.11) which reveals that Collectivism was significantly higher in Kerala than Maharashtra. Kerala had been in the forefront for collective human development and also for collective reform movements and actions (Mathew, 2003; Thresia, 2014). This may explain the existence of Collectivism and also the direct association between this dimension and superior management of MSMEs.

**Inverse Associations:**
The inverse association between **Masculinity** and performance for this segment means that a lower level of masculinity or a higher level of femininity was helping entrepreneurial performance. This was not surprising as Kerala had a significantly lower spread of Masculinity compared to Maharashtra. The combination of high and unsettling collectivism and high femininity could be useful for small business as it led to a situation where the larger entrepreneurs helping the smaller players with their collective and reciprocal networks.

Maharashtra

None of the cultural dimensions were significantly associated with performance as there were no valid output/inference for the regression results for this segment of Maharashtra.
7.2.6 Micro, service enterprises from urban locations

**Kerala**

**Direct Associations:**

None of the cultural dimensions were directly associated with performance for this segment of Kerala.

**Inverse Associations:**

Risk-taking propensity was observed to be inversely associated with performance. Most of the respondents surveyed from the service sector of Kerala belonged to repairs and maintenance of mechanical and electrical gadgets and machines, construction contractors who provide civil construction services, painting, and other maintenance service agents, retailers, authorized outlets of branded textiles and house appliances. These people take limited risks and that could have reflected in their lower scores for Risk-taking Propensity. Yet another reason for the low level of risk-taking propensity could be because of the general low tolerance of Keralites to uncertainty as evidenced in the strikes and lockouts which appeared to be frequent in Kerala.

**Maharashtra**

**Direct Associations:**

None of the cultural dimensions were directly associated with performance for this segment of Maharashtra.

**Inverse Associations:**

Indulgence was inversely associated with performance in this MSME segment from Maharashtra. Low levels of Indulgence (or conversely, higher levels of restraint) were helping the entrepreneurs achieve higher levels of performance. The inputs received from many of the respondents during the survey interviews also shared the feeling that the competition has been very high and they had little time for indulgence.
7.2.7 Small and medium, manufacturing enterprises from urban locations

**Kerala**

**Direct Associations:**

*Power Distance* was directly associated with performance. The entrepreneurs from these segments acknowledged and respected power hierarchies and that seemed to have helped in effectively managing their manufacturing enterprises which were more concerned with experience, training, and discipline and the management style would have warranted larger power distance attributes for effective performance.

**Inverse Associations:**

*Pragmatic Orientation* was inversely associated with performance in this segment. Kerala had a significantly higher mean score for Pragmatic Orientation and it was surprising to note that a lower level of pragmatism was helping the entrepreneurs achieve higher performance. This was contrary to the information gathered through the survey notes.

*Ethnic Orientation* was found to be inversely associated with performance which means that low levels of ethnicity resulted in higher performance. One important aspect of Kerala was that ethnicity was often overtaken by other collectivistic considerations based on ideology and political beliefs.

**Maharashtra**

**Direct Associations:**

The direct association between *Power Distance* and performance for this segment of Maharashtra meant that the entrepreneur acknowledged and respected power hierarchies and that helped in effectively managing their manufacturing units. *Collectivism* was directly associated with performance in this segment. This might be explained by the presence of a large number of business communities in Maharashtra who were famous for their collectivistic and reciprocity credentials. They had made their presence felt in the manufacturing and service sectors of MSME in Maharashtra. *Pragmatic Orientation* was found to be directly associated with performance and so the entrepreneurs of this segment were able to perform higher with a pragmatic or long term orientation.

**Inverse Associations:**

*Indulgence* was inversely associated with performance in this segment. Lower levels of Indulgence (or high levels of Restraint) were enabling the entrepreneurs achieve high performance. Possible reasons for this behaviour could be the fierce competition that exists in both the service and manufacturing MSMEs in Maharashtra.
7.2.8 Small and medium, service enterprises from urban locations

**Kerala**

**Direct Associations:**
None of the cultural dimensions were directly associated with performance for this segment of Kerala.

**Inverse Associations:**
Collectivism being inversely associated with performance in a state like Kerala with its higher collective credentials is interesting. One possible reason could be that the service sector in Kerala had not evolved fully to tap all the opportunities available in the market and they were not using their network to tap opportunities. The other reason could be that the collectivism may not be always ending up in efficiency and growth as brought out through the exploratory study (Chapter-4). Political and ideological group oriented collectivism had been much in evidence in Kerala and this could often unsettle growth, efficiency and social harmony and necessarily need not lead to growth. There were also several instances of individuals making success of MSMEs with single minded leadership, strategic and planning skills and hard work. It was therefore not surprising to locate instances of certain segments where low levels of collectivism (or high level of individualism) also leading to higher levels of performance.

**Maharashtra**

**Direct Associations:**
Risk-taking propensity was directly associated with performance of entrepreneurs of this segment. The survey notes indicated that entrepreneurs from Maharashtra and especially from Mumbai were more resilient, resourceful and exposed to the vagaries of markets than those from Kerala. A large part of the respondents from Mumbai city were hawkers and retailers who traded on streets and faced harassment from corporation squads, police and even street bullies. These people had developed an innate ability to face risks and uncertainties.

**Inverse Associations:**
The Power Distance dimension being inversely associated with performance for this segment was similar to that of entrepreneurs from micro, service enterprises of rural Maharashtra. This once again means that lower levels of Power Distance were being directly associated with performance which in turn provides larger space to its employees and not very strictly controlled centrally. People were more collaborative and were consultative and not really looking up to power hierarchies for directions and work styles.
7.3 Entrepreneurial culture and enterprise performance – a broad overview

A notable finding from this study is how entrepreneurial cultures are influenced by the region (State), location type (rural vs. urban), the nature and size of enterprise (micro vs. small and medium) and the type of business (manufacturing vs. services) in the case of MSMEs. These factors are found to moderate the effects of the cultural attributes of the entrepreneurs considerably.

We find that a low power distance is the key to high performance in the service sector whereas a higher power distance favours performance in the manufacturing MSMEs. Service industry is known to require more space and delegation for the employee to perform whereas manufacturing enterprise are largely driven by the rules created by the technology or processes that control such systems. The investment stakes in manufacturing enterprises especially in the case of small and medium units can be very high and therefore the discipline and focus could be better managed through a hierarchical management system in the Indian context. This inference can possibly be generalized for the country.

Risk-taking propensity seemed to be region as well as business type dependent. Here too manufacturing MSMEs seem to perform better with low risk propensity as compared to services enterprises. One apparent reason could be that market risks are usually higher in service business and therefore need high risk appetite to succeed in that business.

We could observe that collectivism is pronounced in the case of urban-manufacturing enterprises more than their rural counterparts. One of the reasons could be that the nature and level of competition is usually higher in the service industry. Service industry is mostly employee driven where individual skills play a big role. On the other hand manufacturing enterprises are process and technology dependent. It is, therefore, not surprising to find higher collective behaviour in manufacturing. This is another aspect that can be generalized for the country.

Masculinity is more region and location dependent and the moderating factors do not appear to have much influence on the behaviour of this dimension. Therefore, this aspect could be observed across various regions and patterns can be identified.
Pragmatic orientation seems to be related to the region and dependent on type of location. The rural entrepreneurs seem to be more pragmatic and less normative and that has direct and significant association with performance. Rural areas as compared to urban areas often have less access to resources. Less access leading to scarcity of resource builds competition. Therefore pragmatic approaches become a natural trait for better performance of enterprises in the rural sector.

The influence of Indulgence on performance is moderated by regions. This finding follows the inputs given by the experts during the validation phase of this study.

Ethnic orientation is one cultural attribute that came out during the validation phase when the experts in our study proposed this as an additional cultural dimension important in the Indian context. The study results point to the fact that both high and low levels of ethnicity influence performance directly. Various forms of interactions and connections and shared backgrounds or experiences are the highlights of ethnic groups (Aldrich & Waldinger, 1990) marked by their own intrinsic social and cultural inheritance which shapes an individual’s behaviour and attitudes. The influence of ethnic orientation on entrepreneurial performance is one area that needs further research. There are various aspects of ethnicity which can be studied in the context of entrepreneurship as each ethnic group has their unique characteristics, history and evolution.

The influence of culture on performance of MSMEs is therefore beyond doubt, albeit, most often moderated by other factors.

7.4 Contributions of this study

One important inference of this research has been the realization about the large spread of amount of investment in plant and machinery/equipments of MSMEs. This can be stated as a concern as far as the current Indian definition of MSMEs is concerned. It could be better if the number of workers or the sales turnover is also considered for inclusion in the MSME group. Micro service enterprises with investments of just a few thousands of even hundreds of Indian Rupees (means a few US dollars @ INR 65 to a US dollar) were at one end of the MSME spectrum and large medium manufacturing enterprises with INR 90 or 100 million investments at
the other end. The enterprises at the higher end of the MSME spectrum become quite dissimilar to those at the lower end. It will become difficult to rationalize the results of any research done on Indian MSMEs as a group will.

This study brings out the importance of cultural dimensions of entrepreneurs in the well being and growth of the respective MSMEs. This is important from the perspective of developing especially the micro enterprises. Government, both at the central and the state level can go a long way in educating and grooming these entrepreneurs to develop and make use of their instinctive cultural dimensions for improving the management of their units.

One of the findings of the study is that one cannot categorize and label any of the cultural dimensions as pro-performance and anti-performance. Collectivism was found to be helping performance in certain MSME segments while individualism was found to be helping performance in some other segments. Higher power distance (or hierarchical management) was found to be helping performance in certain segments whereas lower power distance (or collaborative and interdependent management styles) was also associated with higher performance in certain other MSME segments. This is true of all the other dimensions except that of Indulgence. Only lower levels of indulgence (or higher levels of restraint) were found to be helping performance and that too in one state (Maharashtra). This means that external development and grooming can definitely prepare the MSME entrepreneurs in a big way by working on their cultural traits, and enable them to achieve higher levels of performance in their respective enterprises. This is important in light of the Government of India’s new thrust and focus on “Make in India”.

One of the trends which were observed from the results is that manufacturing MSMEs find relatively higher dimensions of power distance, indulgence, higher collectivism, and lower ethnicity enabling higher performance for manufacturing business across segments. One the other hand, lower levels of power distance, collectivism (or higher individualism), and higher ethnicity enable higher performance of service business. These are some of the areas where new research attempts can bring out interesting and far reaching results which could have future policy implications.
Relatively higher ethnicity, lower collectivism, higher pragmatic orientation and higher masculinity are indicated among rural locations. Higher collectivism, higher power distance, higher risk-taking propensity are indicated among urban locations.

All the above trends can be made use of in developing rural and urban oriented MSMEs.

7.5 Conclusions

The performance variable has been observed to vary significantly across certain MSME segments whereas it was not found to vary significantly across other segments. The performance variables associated with the MSMEs in Kerala were significantly higher than those of Maharashtra which was in tune with the various reasons highlighted based on separate entrepreneur interviews. The cultural dimensions (except pragmatic orientation) were found to be significantly varying across the various MSME segments.

The various findings also lead to the conclusion that the performance was dependent on cultural factors. However, the nature and extent of the influence were observed to be further dependent on the region or state of operation, and within each state, the type of location, type of enterprise, type of business or the various combinations of these factors.

One interesting finding was that many of the results were more in line with the views expressed by the experts during the exploratory phase. Another finding was that while certain cultural dimensions were observed to be associated directly with the performance in certain segments, the same could also be seen associated inversely with performance in certain other segments within the same state. This could be because of the subtle variances in cultural traits within segments based on local factors.

An important conclusion from this study is that while the influence of entrepreneurial cultural on enterprise performance is established it is found to be moderated by environmental and firm specific factors also. What type of culture helps in performance in a given situation is often determined by the environment and nature and type of firm as well.
7.6 Limitations of Study

This research work could have had the following limitations:

1. Sample sizes were relatively not very large

2. The number of medium enterprises that came under MSME definition was not high. This definitely affected the survey to some extent.

3. The annual growth in revenue per employee was considered as the best measure of enterprise performance as contributed by the entrepreneurs who were the singular management muscle behind most of the MSMEs. But one has to admit that as the enterprise goes up in size with respect to men, material and money turned over, the managerial complexity of such firms also increase. There could be factors other than revenue per employee which influence overall production.

7.7 Future Research

The current study had focussed on understanding, i) the cultural dimensions that are applicable for the MSME entrepreneurs across two states, ii) the nature of variance of the performance of MSMEs and therefore that of entrepreneurs across different MSME segments, iii) the nature of variance of the seven cultural dimensions across the different MSME segments, and iv) the nature of dependence of performance on the seven cultural dimensions. The outcomes of the research indicate certain interesting trends which have implications on the growth of MSMEs across various regions of the country. It is clear from this study that there are cultural variations in MSME entrepreneurship across various categories and classifications. Besides, it is also clear that culture has a significant influence on the performance of MSMEs across most of the sample segments. It is, therefore, possible to expand this study to include more states and categories in and outside India. One more area of possible future research is on how cultural dimensions of both entrepreneurs and workers can be made use of in increasing enterprise performance and growth through tailored human resource development programs. Yet another future area of research is to find the relationship between cultural dimensions and business types so that policies and programs could be engineered to facilitate growth of such businesses that suit certain entrepreneurial culture. This understanding would further enhance the “cluster studies” that so far have focused on physical and economic infrastructure sans culture.
The current study considered two sample states only. One of the areas of future research could be a country wise study of the relationship between culture and entrepreneurial performance at a much larger scale involving scholars from across the country.

This study came up with a new cultural dimension namely, ethnic orientation, which influences entrepreneurial performance. However the nature of ethnicity can be complex. The relationship between nature of ethnicity and entrepreneurial performance is one area that needs further research. The different dimensions of ethnicity need to be studied in the context of Indian entrepreneurship. Every ethnic group has evolved differently with their own unique value systems, behavioural aspects, and entrepreneurial cultures that form an excellent area for further research.