CHAPTER - 2

REVIEW OF LITERATURE

2.1 PURPOSE OF LITERATURE REVIEW AND CATEGORIES

Cooper, H. [41] According to Cooper H., the value of any single study derives as much from how it fits with and expands on previous work as from the study’s intrinsic properties. If some studies seem more significant than others, it is because the piece of the puzzle they solve or the puzzle they introduce is extremely important; not because they are solutions in and of themselves.

Dellinger, A [42] According to Dellinger, literature review is characterized by logical flow of ideas; current and relevant references with consistent, appropriate referencing style; proper use of terminology; and an unbiased and comprehensive view of the previous research on the topic.

2.2 REVIEW OF LITERATURE ON NEED FOR WOMEN ENTREPRENEURSHIP

Robert D. Hisrich and Candida G. Brush [43] suggests that some specific changes need to be implemented in order for women entrepreneurs to become more important effective individual in the business environment. Women should be encouraged to study in fields other than liberal arts. Guidance counselors and others should point out the value of learning more technical subjects that can be useful when starting a business, especially in male-dominated fields such as computer science, science, engineering, and of course business. Women need to have access to a wide variety of seminars on both general and specific topics. General topics that need to be covered are finance, cash flow management, and
marketing, preparation of business plans and loan applications, and general business organization.

Richard T. Bliss and Nicole L. Garratt [44] quoted in their research “Supporting Women Entrepreneurs in Transitioning Economies” that Poland has made great strikes since its transition to a market economy that began in 1990 with the Balcerowicz Plan, which sought to achieve a free market economy by fostering private enterprise and by privatizing state-owned enterprise (SOEs). Poland’s GDP growth averaged 6.0 percent between 1994 and 1998, while unemployment declined from 16.4 percent to 9.8 percent (Euromoney 1998). Foreign direct investment in Poland between 1989 and 1997, which totaled $25.6 billion, was substantially higher than in other Eastern European countries. For 1999, “Poland is expected to meet its target of 9.6 percent inflation and is forecast to achieve 5 percent growth in domestic product” (Business Eastern Europe 1998). These results have been recognized: Poland was invited to join the OECD in 1996, NATO in 1997, and is targeting EU entry for 2003. Much of these progresses can be attributed to private sector growth and a surge in the number of small and medium-sized enterprises (SMEs).

In 1997, Poland’s private sector accounted for more than 70 percent of the GDI; up from 17.4 percent in 1990. Over the same period, the number of individual entrepreneurs more than doubled from 800,000 to approximately 2.1 million (GUS 1998). Polish women started many of these new businesses, but they did so with little formal support and in the face of significant obstacles. Having suffered disproportionately under socialism, they continued to face both subtle and overt discrimination during the early 1990s in their quest to be part of Poland’s emerging market economy. An established support organization for women entrepreneurs would greatly facilitate this process, but the various entities in existence at the end of 1998 were insufficient and ineffectual. After establishing the need for such an organization, this article presents a framework for the Polish Association of Women Entrepreneurs (PAWE). We use our findings to make recommendations applicable to other transitioning economies.
Ruta Aidis et al. [45], in their paper compares from an institutional perspective two countries at different stages in the process of transformation. Lithuania followed a rapid transitional path leading to EU membership, whilst Ukraine is on a much slower development path. While women entrepreneurs in Lithuania and Ukraine share many common features and problems, there are important differences between the two countries. This indicates a need to recognize the diversity that exists between transition countries, reflecting different inheritances from the Soviet past, as well as differences in the pace of change during the transition period. This study has contributes substantially to the existing literature by systematically analyzing empirical and qualitative data on female entrepreneurs in two distinctively different transition countries namely Lithuania and Ukraine. This approach however has its limitations since these results based on two countries can at best only provide some general insights that can be applied to the other thirteen countries that emerged from the collapse of the Soviet Union. Further comparative research based on both qualitative and quantitative data on these other countries would help create a more detailed understanding of characteristics of female entrepreneurship as it emerges during transition.

Olga Iakovidou, Stavriani koutsou Maria Partalidou [46], Differences between male and female entrepreneurs provide compelling reasons to study the latter separately. Especially in rural areas, research shows that women are a remarkable and unexplored source of the labor force. Nevertheless, few researchers have examined rural women and the issues pertaining to their entrepreneurship separately. The contribution of this study to the debate of women entrepreneurship is the closer examination of women in Greek rural areas. This research aims to examine factors that must be considered independently with recognition to the variances of rural areas with different geomorphologic and economic profiles. The characteristics of women entrepreneurship in Greek rural areas and the women’s motives for the undertaking of the entrepreneurial activity are used to identify a typology of women entrepreneurs in the Greek countryside.

Lyn S. Amine and Karin M. Staub [47] in their paper takes an international marketing (IM) approach to the study of women entrepreneurs (Wes) in
sub-saharan Africa by examining factors in the environments in which Wes operate. The goal is to understand better how environmental barriers of many types impact the efforts of Wes. Using institutional theory-driven analysis, finding from a wide range of literature that are integrated, with special attention to issues of the social legitimacy of women as entrepreneurs. Result of this study demonstrate that Wes in sub-Saharan Africa face a daunting array of challenges arising from the socio-cultural, economic, legal, political, and technological environments in which they live. Moreover, unfavorable conditions in local regulatory, normative, and cognitive systems place additional burdens on women who desire to become entrepreneurs or to expand an entrepreneurial business. In order to address these gender-specific problems, social marketing is recommended with the goals of (1) changing social beliefs, attitudes and behaviors that negatively affect Wes, and (2) improving conditions in institutional systems and market environments. Recommendations in the paper suggest how to bring about changes in attitudes towards women, work and their independent enterprise. In conclusion, directions for future scholarly research are identified.

Femida Handy, Bhagyashree Ranade, Meenaz Kassam [48], Findings show certain factors differentiating nonprofit and for-profit women entrepreneurship in India: ideology, professional standing, previous experience, income, caste, age, family background, and the willingness to take risks. Financial stability in the household and family support is essential for most women entrepreneurs in either sector; with the exception of three entrepreneurs from the nonprofit sector, all came from middle and higher income classes. Unlike nonprofit entrepreneurs who were primarily self-motivated, four out of five for-profit entrepreneurs were encouraged by others to start their enterprise. The salient factor in our study is that all nonprofit women entrepreneurs share feminist beliefs and a desire to help others which they actualized by starting their NGOs. This is in marked contrast to the for-profit entrepreneurs who have no shared ideology. Both sets of entrepreneurs were actualizing themselves, NGO entrepreneurs in pursing their ideology and for-profit entrepreneurs’ pursuing their hobbies to gain professional status. Earnings, as well as personal and professional independence, seem to be secondary to the NGO
entrepreneurs but were more important to for-profit entrepreneurs. Lacking prior professional status motivated many of the for-profit entrepreneurs to seek it by starting their own enterprise. Lack of access to financial capital was a concern for some of the entrepreneurs in the for-profit sector but did not pose a major challenge to entrepreneurs in the nonprofit sector; in this sector what is essential is access to volunteers and donations, initially through personal networks.

J. Orser, Allan L. Riding, Kathryn Manley [49] work examines gender differences among Canadian small and medium enterprise (SME) owners seeking external financing, including commercial debt, leasing, supplier financing, and equity capital after controlling for size and industry sector. The work also examines potential gender differences in owners' strategic choices (application rates) and financiers' evaluative responses (turndown rates). Contrary to previous work that did not control for size and sector of firm, women business owners were equally likely as men to seek all types of external financing, except for external equity capital. Business in which women held majority ownership was significantly less likely to seek equity capital even after controlling the systemic factors. Male and female business owners who did apply for financing were equally likely to obtain capital. When asked the reasons for not seeking financing, the majority of respondents, male and female, specified that financing was not needed. Recommendations about future research are advanced.

Tatiana S. Manolova, Ivan M. Manev, Nancy M. Carter & Bojidar S. Gyoshev [50] study looks at the differential effects of men and women entrepreneurs' human capital and network diversity on the likelihood of using external sources of financing (sources other than personal savings, family and friends) in the context of a transitional economy. Moderated logistical regression models using survey data from men and women new venture owners in Bulgaria suggest the likelihood of using external sources of financing is positively and significantly associated with the diversity of the entrepreneur's social network. Further, this effect is moderated by gender, suggesting that men make a better use of their social networks to secure sources of external financing. Implications for managerial practice and public policy are discussed.
This study has addressed a dual research gap: the roles that human and social capital play for securing external financing for entrepreneurial ventures in transitional economies, and the differences between the financial strategies of men and women entrepreneurs. We found that social capital is an important determinant of the use of external financing, and that women confront a social network barrier. These findings extend both social network theory (Coleman, 1988) and the feminist literature (Black, 1989; Unger and Crawford, 1992) in the context of women entrepreneurs in transitional economies.

Michael H. Morris, Nola N. Miyasaki, Craig E. Watters and Susan M. Coombes [51] states that, in recent years the number of women-owned firms with employees has expanded at three times the rate of all employer firms. Yet women remain underrepresented in their proportion of high-growth firms. A number of plausible explanations exist. To develop richer insights, a two-stage research project was undertaken. A mail survey was sent to a sample of female entrepreneurs to assess motives, obstacles, goals and aspirations, needs, and business identity. Based on the survey results, follow-up, in depth interviews were conducted with entrepreneurs, selecting equally from modest growth and high-growth ventures. In terms of quantitative findings, growth orientation was associated with whether a woman was “pushed” or “pulled” into entrepreneurship, was motivated by wealth or achievement factors, had a strong women’s identity in the venture, had equity partners, and believed women faced unique selling obstacles. The qualitative research made clear that modest- and high growth entrepreneurs differ in how they view themselves, their families, their ventures, and the larger environment. The results of both stages suggest that growth is a deliberate choice and that women have a clear sense of the costs and benefits of growth and make careful trade-off decisions.

Candida G. Brush, Nancy Carter, Elizabeth J. Gatewood, Patricia Greene & Myra Hart [52] state that the number of women entrepreneurs is rising rapidly and many are creating substantial businesses. For most women-led ventures, growth is funded by personal investment and debt, although a small percentage draws on private equity investment to fuel high growth. Of those that seek growth,
not only do they face higher obstacles in obtaining capital, but little is known about ways they position ventures for growth. This paper addresses the question: ‘How do women develop financing strategies to prove the business concept, meet early stage milestones, and demonstrate to external investors the value and potential of their businesses?’ Data are drawn from phone interviews with 88 US female entrepreneurs seeking an equity investment to grow their businesses. The analysis examines the correspondence between bootstrapping and stage of business development. Results show significant differences in the use of bootstrap options utilized by women-led ventures depending on stage of business development. Companies that have not achieved sales were more likely to emphasize bootstrapping to reduce labour, while those companies with greater sales were more likely to minimize cost of operations. Implications for future research and education are suggested.

Kathleen Dechant & Asya Al Lamky [53] pointed that entrepreneurship has become a defining business trend in many countries throughout the world. The ranks of entrepreneurs contain a sizable contingent of women. As a result, research into the pathways of entrepreneurship as a general phenomenon as well as a career option for women has flourished in recent years. However, very little of this research has focused on women entrepreneurs in Arab countries, particularly those around the Gulf of Arabia, where private enterprise is viewed as a way for these nations to reduce their reliance on oil and their dependence on expatriate (foreign) workers. This study of the business start-up experiences of ten Arab women from Bahrain and Oman can serve as a starting point for such research. Although based on a non-representative sample, it suggests that the experiences of the Arab women entrepreneurs studied generally parallel those of their counterparts from other parts of the world with a few distinct differences. These differences relate to securing start-up capital and other resources, networking, and work/family balance. Infused with Arab and Islamic values, the unique cultural milieu played a major role in shaping the entrepreneurial experiences of the Bahraini and Omani business owners studied.
Femida Handy, Meenaz Kassam, Bhagyashree Ranade [48] Entrepreneurial activity attracts certain kinds of individuals. Such self-selection is not a random event but is influenced by personal characteristics as well as socioeconomic and cultural factors. This article examines women entrepreneurs in a particular segment of the nonprofit sector in India to determine which factors influence such self-selection. Our research confirms findings by other scholars that nonprofit entrepreneurs receive a high payoff from promoting social causes. Furthermore, we find that previous experience in the sector, beliefs, culture, social class, education, and family background also play an important role. We explore some policy implications of our findings.

Raymond W.Y.Kao and Choon Chiang Leong [54] A dedicated conceptual model was planned and designed for women entrepreneurs training and development in rural China. The model programme involved three phases in its implementation:

- Phase 1, the training of Chinese national experts by international experts;
- Phase 2, the trained national experts training township and village enterprise women entrepreneur/managers in a pilot test; and
- Phase 3, Chinese national experts training the national trainers.

The expectation is for the programme to be disseminated into the provinces and subsequently into all rural China. The programme was initiated by the United National Industrial Development Organization (UNIDO) in collaboration with the All China Women's Federation and its training institutions. The purpose of this Training-of-Trainers Programme was for promoting women's participation in the modernization of China.

Clark et al [55] Here the study discusses some of the significant contributions of various authors. Studies on micro-enterprise strategies indicate that women, in general, feel that self-employment is a better option than traditional
employment due to various reasons. Some of the important reasons are: women entrepreneurs get the training and technical assistance facilities through various government agencies which help them increase their incomes through self-employment. These self-employment avenues also help them attain a better standard of living and provide greater personal flexibility to accommodate family needs. In a country like Ukraine, 75% of the women entrepreneurs pursued the higher and technical education (Gray, 1992).

Tara [56] has examined the issue in institutionalizing micro-finance in India. The study period was from 1995 to 2001. The study emphasizes the evaluation of the relevance of ‘microfinance perspective’ to poverty improvement. The findings of the study suggest that entrepreneurship is a reasonably a good solution to help low-income women, including those who are transitioning off welfare, to become more economically self-sufficient.

Manimegalai [57] has analyzed the performance of Self-Help Group (SHG) after describing the objective, composition and functions of SHGs. The author found that the SHG women are widely engaged in retail marketing of agricultural and rural products both at village and urban centers.

2.3 REVIEW OF LITERATURE ON PROVIDING OPPORTUNITIES TO DEVELOP BUSINESS RELATIONS

Lichtenstein [58] found that one of the most important contributions of incubators lies in providing an opportunity for entrepreneurs to interact and develop business relationships. The incubator can have a database of suppliers and service providers, which will be of generic interest to a number of sectors, for example printers, website designers, and transporters. If the incubator is focused on a certain industry, they will have an opportunity to develop a similar list of interest to a specific sector. Additionally, the incubators should develop contacts with many others in the industry so that they are able to pass on these contacts to the entrepreneurs that need the specific contacts. Another important networking that an incubator can facilitate is the networking between the entrepreneurs in the incubator.
Even though each new venture faces a unique set of issues, a group of entrepreneurs can set up their own support mechanism by communicating with each other.

2.3.1 Business Clusters

Doeringer and Terkla [59] defined a business cluster as a geographical concentration of industries that gain performance advantages through co-location. Everywhere, businesses tend to cluster together geographically in identifiable areas of high concentration. Businesses find it advantageous to be near suppliers, customers or even other firms producing similar goods. The proximity allows them to learn from each other and to transact their business more efficiently. A cluster is made up of a core group of highly specialized firms from the same industry. There will also be many supporting firms that supply goods and services to the core industries in the cluster. The governmental support is usually in the form of setting up infrastructure for use by the core industries. Many times, the development of the cluster is driven by business logic and is not supported by a matching effort from policy makers and governments, but now, many governments are looking at developing clusters as a means of promoting small businesses. Other characteristics of business clusters include the following:

- Well-developed and intense links with suppliers
- Formal and informal business networks
- Shared supporting infrastructure such as building and road connections
- A certain level of cooperation in spite of a high degree of rivalry and competition

Peterson [60] also showed opportunity discovery includes knowledge acquisition. Furthermore, Kaish and Gilad [61] found that entrepreneurs spent a lot of time in search of information. Entrepreneurs generally used non-verbal search and traditional sources and were alert to risk cues. They spent time reading newspapers and magazines and thinking about their future business. According to this,
entrepreneurs were not eager to gather information through social discussions. Instead, they used the social context to test their ideas. Entrepreneurs also searched for information eagerly from traditional sources such as pattern filings and strangers. Entrepreneurs used immediate sources such as subordinates, Professional acquaintances, customers and consultants in order to develop the needed knowledge base for the situation. On the basis of the above, it seems that entrepreneurs are active knowledge acquirers says Gaglio & Taub [62]

Herron and Sapienza [63] claim that entrepreneurs deliberately search for opportunities. They aim at finding a fit between context and strategy. Thus, there should be a gap, or merely need, in the environment that could be filled up with a certain kind of business strategy. In this phase the opportunity is not yet fully developed but merely exists in the form of a rough idea of the context and the strategy Davidsson [30].

Woo C, Folta T and Cooper A [64] realized that opportunity discovery is bound rationally. They indicated that information search is dependent on previous knowledge and experience. Therefore, knowledge acquisition in opportunity discovery is seen here as deliberate and active behavior, which is affected by past experiences and knowledge, and includes intuitive perception and interpretation of knowledge.

Rea A, Maggiore G and Allegro I [65] argued that opportunity discovery is a progressive learning path. At the beginning of this path an entrepreneur can have a general vision of the future venture but not the needed information about it. The next phase is to gather information in order to define the borders and content of a venture. Third, this opportunity is evaluated and finally implemented. Every phase has to look back to the former phase; new information can cause re-thinking in every phase.

Shane and Venkataraman [66] also argued that opportunity discovery is inherently cognitive information structuring and processing. This again stresses the importance of knowledge acquisition, which involves gathering and interpreting
of information. An entrepreneur should first have knowledge structures that are from the same area as opportunity. From this knowledge – structure point of view an entrepreneur then perceives information of the business situation. Third, she tries to connect this new information with the existing information she has and, thus, aims at creating a new view of the situation. Lastly, she considers and reflects on this mental map and tries to find link which could propose that there is a business opportunity. On the basis of research on thinking, problem solving and cognitive processes of human beings, Mayer [67] study proposes that discovering of a business opportunity is not rational decision making even though it is deliberate information seeking.

2.3.2 Competitive Scanning

Competitive Scanning refers to behaviour that tries to understand the competitive arena, meet customer needs, and find ways of creating value for customers. It is about scanning actively the competitive arena and creating a strategy that would offer a new value for customers and, thus, a competitive advantage.

Miller [28] has suggested competitive scanning to be seen as aggressiveness in competition. Thus, entrepreneurs should be ready to create strategies that would drive competitors out of the market rather than to accept that there should be room for all.

Koning and Muzyka [68] found that entrepreneurs did not want to compete openly. Instead of going for tough competition, entrepreneurs searched for gaps or niches, which did not include so much competition. However, the gap had to be wide enough for serious business and profit. It might be that entrepreneurs are not straightforward enough to come and compete against each other and try to take as big a slice as possible by acting aggressively, but rather analyze the business environment, find gaps and in this way create room for ventures. It is competitive aggressiveness, but not open aggressiveness. Aggressive competitions are realized through creating cleverer business strategies, not through direct business tactics.
Bhave [69] who found that opportunity discovery involves opportunity filtration, selection and refinement. He suggested that every company is located in a certain point of the competitive structure and the venture has, thus, a certain window of opportunity, certain advantages and risks. Therefore, some aggressiveness in the behaviour is required in order to find and conquer a spot in the market place that is yet not hostile.

Christensen. P, Madsen. O and Peterson. R [70] claimed that important behaviour in opportunity discovery is competitive scanning of the business situation. The competitive arena is actively scanned, and the scanning might even be aggressive in nature. Here, competitive scanning means to scan the competitive arena actively and develop a strategy that would create room for own business in this arena.

Long & McMullan [29] Competitive market scanning in the above studies is seen as important behaviour. In the pre-vision phase entrepreneurs scan the environment and look for their existing knowledge in order to get an understanding of the situation. This means that an entrepreneur develops her orientation to the competition. In addition, entrepreneurs are alert to risk cues in the business environment. Thus, entrepreneurs are cautious and alert to competitive issues. They create strategies related to the competitive context. They are aware of the importance of knowing the competitive arena. Thus in opportunity discovery entrepreneurs behave actively in order to understand the competition and position of their ventures, which imply aggressiveness in the competitive arena.

2.3.3 Proactive Searching

Proactive searching is behaviour that tries to understand future development paths. In other words, it is behaviour that tries to create a vision of the future and establishes a business before others see the trend.

Cooper [41] claimed that entrepreneurs ‘feel’ what changes are happening in a market and sense opportunities these changes create. Entrepreneurs
are ready to grab changes before the opportunities are so visible that everybody else can see them. Entrepreneurs are proactive and act before the change has become real.

**Hills G, Shrader R and Lumpkin G [71]** recognized that entrepreneurs were not searching for opportunities based on what had happened but on the basis of what was going to happen. Opportunity discovery is intuitive interpretation of the dynamics of market structure. Competition, customer needs, timing and synergy, acts on incomplete information. It leaves open options.

In order to realize their vision of the future, the entrepreneurs start to proactively gather information and justify the idea to other people. It is therefore, proposed that opportunity discovery and visioning involve proactive behaviour in the face of incomplete and inexact information.

**Baron [11]** His study showed how entrepreneurs do not regret what has happened but set their sights on the future. Thus, opportunity discovery is not about accidental luck but proactive, deliberate search for an opportunity.

**Martello [72]** Nevertheless, proactiveness is not rational behaviour either. Serendipitous events are rather involved.

**Sarasvathy [73]** Entrepreneurs do not analyze and calculate the features of opportunities very closely but are mentally alert to events that could tell them something about future developments

### 2.3.4 Innovative Behaviour

**Hargadon [74]** Innovative behaviour is about questioning the present ways of doing things. It is behaviour that tries to find solutions that do not yet exist, though the elements of the solution exist.

**Gilad. B [75]** unusualness, appropriateness, transformation and condensation are connected with opportunity discovery. Unusualness is innovative
behaviour in which solution that are not familiar to the members of the profession are searched for. Appropriateness is search for solution that answers the needs of a market. Transformation behaviour is search for a gap in the market structure to create new values in the form of new business. Condensation is strategic thinking, in which pieces of information are combined into a business opportunity. As a whole, it is behaviour aiming at creating something new that would change significantly the existing knowledge of the business domain.

**Koning and Muzyka [68]** recognized the importance of innovative behaviour in opportunity discovery.

**Hills, Shrader and Lumpkin [71]** argue that opportunity discovery includes areas of behaviour such as preparation, incubation, insight, evaluation and elaboration. Thus, the innovative search for new types of possibilities clearly belongs to opportunity discovery behaviour. Entrepreneurs in this study, who said that they spent time to think creatively about business opportunities, demonstrate this.

**Hills and Lumpkin [76]** argue that in the opportunity discovery process knowledge is often transferred to another arena for which innovative behaviour is needed. Research on cognitions of entrepreneurs has revealed results concerning how entrepreneurs discover opportunities.

**Manimala [77]** for instance, found that entrepreneurs on the basis of their heuristic orientations could be divided into nine different groups. Inventors, Adventurers, problem solvers, social visionary entrepreneurs, gap fillers, opportunity grabbers, niche holders, ancillary entrepreneurs and service entrepreneurs. On the basis of these categories, entrepreneurs innovate quite differently. Some of the entrepreneurs do research and try to invent something new while others explore world. Innovative behaviour is one of the core areas of behaviour in opportunity discovery because through it entrepreneurs create solutions to compete against and renew existing solutions.
2.3.5 Collective Action

Collective action refers to social behaviour which in this context implies ‘together we are cleverer than alone’. Thus, entrepreneurs try to use knowledge of other people to enact a more realistic future vision.

Johannisson [78] sees opportunity discovery behaviour as a learning process that takes place in a social context. He argues that these processes involve many mistakes and corrections, and require time. However, using the experiences of mentors and role models can help shorten the required time. Thus, discussions with other people over the future venture are part of the opportunity discovery process. Further, he suggests that the process is about constructing the image of the future by attention, action and interpretation. Entrepreneurs try to enact an opportunity by small steps of social interaction and interpretation. It also involves learning and unlearning in order to create possibilities in the environment.

Krackhardt [79] proposes that entrepreneurs are active networkers in opportunity discovery. They like to discuss, with other people, their ideas and gather new information through social discussions.

Koning and Muzyka [68] showed that entrepreneurs shared their ideas openly with other people because they were quite sure that their ideas cannot be easily used by others.

Hills and Shrader [71] found that the opportunities were almost provided to entrepreneurs who had wide networks and were in active dialogue with their network.

Hills G and Lumpkin G [76] also showed that entrepreneurs use their networks in their opportunity discovery. Thus, active dialogue with people in the network is common in opportunity discovery. This study proposes that the opportunity discovery of entrepreneurs consists of lines of strategic behaviour knowledge acquisition, competitive scanning, proactive searching, innovative
behaviour and collective action. Next, a theoretical discussion of performance of new ventures is reviewed.

2.4 REVIEW OF LITERATURE ON THE PERFORMANCE IN ENTREPRENEURSHIP LITERATURE

Deeds, DeCarolis and Coombs [80] have done an excellent classification of performance measures of new ventures. They classify performance measures into (1) accounting measures; (2) growth measures; (3) subjective measures; (4) market based measures; (5) Tobin’s Q-measures; (6) market value added measures (MVA). The most used accounting measures are profitability, return on investments, return on assets, time to pay back and break-even.

Timmons [81] Profitability is problematic in new ventures because in the beginning the investments are high, which often cause profitability to be low although a venture has enough sales.

Zahra [82] Return on investment or assets are better as they measures relative income. Still, it is quite different when the profit is, let’s say, one million euros, whether the investment is either one million or ten million euros. However, the problem is still the same because in the beginning incomes can fluctuate. Time to pay back shows how fast the investments are paid back to investors. This is also biased because the time to pay back is dependent on strategic decisions of ventures concerning financial investments. Some ventures might make the needed investments in the beginning while others make the investments later. This affects the payback time. Breakeven shows how fast a venture earns more than it has to pay out. This is probably the best financial measures for new ventures because it shows the survival capacity of a venture. But it does not show how successful the venture has been. As a whole, this study is not using accounting measures because there are serious problems using these when new ventures are studied.

Chrisman & McMullan [83] Second, growth measures are no doubt the most used performance measures of new ventures. However, growth measures do
not take into account profitability or risk issues. It could be thus proposed that it is possible to create high growth without worrying about profitability or the risks involved therein. Growth measures are the best measures of performance of new ventures because growth shows that customers have accepted the venture and that the products and services add value to customers. The most used measures of growth are growth of sales and growth of employees which should be evaluated relative to competitors that best reflect the added value to customers. They reflect well the value added by a venture. They are also more accessible than accounting measures.

**Covin & Covin** [84] Third, subjective measures use perceptions of owners or managers. Many studies have shown that subjective measures reliably reflect objective performance. Subjective measures are mainly used because entrepreneurs are unwilling to share exact financial figures. However, there is always the possibility that perceptions are biased. **Sapienza, Smith and Gannon** [85] found that subjective measures did not measure performance, sales growth or return on sales accurately. Nevertheless, many researchers have used almost the same subjective instrument and compared the subjective results with the objective results and concluded that the subjective measures of performance of new ventures measure performance reliably. This study claims that subjective measures are reasonable to use when combined with growth measures, which measure growth relative to competitors.

**Deeds, DeCarolis & Coombs** [80] Fourth, market-based measures are also widely used in new venture creation literature. Most often the market value of the firm is measured. Market value has at least three advantages as a measure of performance: (1) it shows the future earning potential of the firm; (2) it is an objective measure; and (3) it is the mechanism stockholders use to access actions of managers. However, it fails to take into account the amount of capital invested in the venture. If one million euros and 10 million euros are invested in two separate ventures, the first venture is obviously performing better if the market value of both is 10 million euros. Another problem of the market value as a performance measure of new ventures is that it requires that ventures are public or that an independent expert would do the market value measurement, which could still be biased. Because
the ventures in this study are not public and because the measurement of independent experts would be biased, market value as a performance measure of new venture is not used.

Deeds, DeCarolis & Coombs [80] Fifth, Tobin’s Q is the ratio of the market value of the firm to the physical assets. It is used to measure the growth opportunities of ventures. The problem with this measure is that it does not take into account important intangible resources, such as intellectual and social capital. Thus, this study is not using this measure.

Deeds, DeCarolis & Coombs [80] Sixth argue that the best measure to assess new venture performance is the MVA method. It tries to assess the free cash flow that is available to lenders or stockholders. It claims that value has been created only when the market value of the venture exceeds the amount of the invested capital in the venture. However, entrepreneurs are rarely ready to show how much capital has been invested in the venture. Thus, the needed information to measure MVA is available when the ventures are public or the relations to entrepreneurs very close. The ventures of this study are not public or very close to the researcher; so the MVA method is not used.

Chrisman and McMullan [83] Seventh have proposed that innovation or better ways of doing things is one of the most important contributions of businesses of the economy. By this they mean that the newness value of the venture creating new value for customers is one of the most important performances of a new venture. This study also sees that the core of entrepreneurship is to create new value and uses newness value as a performance measure of the new ventures. This study, therefore, considers this as a possible measure of the performance of new ventures.
2.5 REVIEW OF LITERATURE ON PERFORMANCE IN OPPORTUNITY DISCOVERY LITERATURE

Covin and Slevin [86] argue, the ultimate dependent variable is firm performance. In opportunity discovery research, performance is widely recognized and many variables affecting the same have been introduced. However, rigorous empirical studies of how variables affect performance have not been made and performance is dealt with loosely. By performance one means financial issues, market achievements and efficiency of building an organization. Often the most important and simplest measures are forgotten. Actually growth and newness value of a venture show how well a business opportunity of the venture is accepted by customers and how much the business opportunity add new value for customers in comparison to present ventures. In this study the traditional profit measures are not used because they do not fit the situation where the ventures are young and rarely earn profit. This does not mean that the ventures are poor investments in the long run. Moreover, general financial measures are not available because small entrepreneurs do not necessarily have to release them publicly, or if they have to, they just refuse to do so.

Peterson [60] suggested the following good performance creators:

- Not accepting the environmental change but taking action to take advantage of the change;
- Internal motivation and deliberate intention to change things;
- Alertness and ability to see major, global changes, which are happening almost simultaneously;
- A social network to make the change happen;
- Skill of strategic (re)thinking;
- Skill to (re)positioning in the industrial landscape;
- Opportunity driven;
- Strong leader;
- Capability to use resources when needed episodically.

These are in line with the study by Teach, Schwartz and Tarpley (1989). They indicated that entrepreneurs who did not care so much about formal planning and evaluation and who put much effort into intuitive alertness and seven unrealistic goals achieved better results. Thus, it could be suggested that ignorance of formal planning and evaluation release time for more important things. It could also be that entrepreneurs without formal planning and evaluation are doing their thinking informally and intuitively and thus are more efficient than when they are being more holistic; they also use gut feelings and experiences.

Vesper [87] proposes that opportunities are to be found, if entrepreneurs can ask the right questions and find good enough answers. Performance is dependent upon the mental information processing sequences entrepreneurs have. This implies that cognitive skills of entrepreneurs to solve problems play a relevant role.

Woo, Folta and Cooper [64] divide the high-performance factors into two parts depending on the experiences of the opportunity discoverer. If an entrepreneur is inexperienced, she should search intensively for information and organize it rationally. If she is experienced and familiar with the business domain, she should be careful to interpret information in proportion to her prior knowledge. This suggests that depending on the background of the entrepreneur, performance is grounded on different aspects (see also Christensen, Madsen and Peterson, 1994). Thus, when there is a window of opportunity, firms have technological knowledge, market knowledge and experience; entrepreneurs can accumulate resources and solve the problems they are facing. They can understand the situation strategically and good performance is therefore likely.

Timmons [81] trusts businesslike performance factors. He sees that performance factors are related to markets, economics, harvesting, competitive advantage, the management team, personal issues and strategy. According to him, the market should be fast-growing and big enough. In addition, return on investment
should be above 25 per cent and breakeven should happen in less than two years. He also claims that the product must create high value for customers and margin should be, at least, moderate. Further, the management team should have a good track record. Finally, he suggests that a personally-owned venture should be what you want and it should be in line with your lifestyle. Strategy of the venture should be based on a clear differentiation.

Stasch [88] takes a slightly different view. He proposes that performance is dependent on the existence of a market, the experience of an entrepreneur and the screening and evaluation of a new product. If there is a market, the entrepreneur experienced and the new product not a new idea, then evaluation is probably not needed and success is likely. Second, if a market already exists, the entrepreneur is experienced but the product is quite a new idea, then evaluation is probably needed if success is to be achieved. Third, if the market exists but the entrepreneur is inexperienced and the product is new, then evaluation is definitely needed if success is desired. Fourth, if the market is unclear, the entrepreneur is inexperienced and the product is totally new, then evaluation is definitely needed, although success is unsecured. Fifth, if there is no market, the entrepreneur is inexperienced, the product is a true innovation and evaluation is very difficult to do, success is a matter of luck.

Birley [89] also concurs that good assessment of an opportunity is the key to success. Entrepreneurs should find a market with potential, a market share, a route to reach the market, ways to protect their own opportunity and profitability, and the whole thing desirable to them. An opportunity might be successful if these factors are present.

Staal, Delgado and Nicholson [90] found that farmers’ organizations contribute significantly to reduced transaction costs associated with access to assets, markets, and information in Africa.

Skuras et al. [91] In their studies of rural business development in lagging areas of Europe, found that the advancement of human capital through
education and training is the most important precondition for success and that supporting and training programmes need to be location specific.

Grewal et al. [92], According to them increasing transparency of price information, for instance by the use of the internet, could enable a closure of traditional information asymmetries.

Reardon and Barrett [93] found that village level cooperatives are resurgent after a long period of disfavor due to corruption and inefficiency. The general ability of cooperatives to reduce transaction costs and counteract market failures should not be ignored. They might be means for overcoming liquidity constraints, information asymmetries, and minimum efficient scales of production or marketing.

Darrene et al. [76], performed a study on finding the relationship between elements of human capital and self employment among women. The study showed that self employed women differ on most human capital variable as compared to the salary and wage earning women. The study also revealed the fact that the education attainment level is faster for self employed women than that for other working women. The percentage of occupancy of managerial job is found to be comparatively higher in case of self employed women as compared to other working women. This study also shed light on similarity and dissimilarity of situations for self employed men and self employed women. Self employed men and women differ little in education, experience and preparedness. However, the main difference lies in occupational and industry experience. The percentage of population holding management occupation is lower for self employed women as compared to self employed men. Also the participation levels of self employed women are found to be less than of self employed men in industries like communication, transportation, wholesale trade, manufacturing and construction. The analysis is based on data from the Current Population Survey (CPS) Annual Social and Economic Supplement (ASEC) from 1994 to 2006.
Jalbert [94] performed a study to explore the role of women entrepreneurs in a global economy. It also examined how women’s business associations can strengthen women’s position in business and international trade. The analysis is performed on the basis of facts and data collected through field work (surveys, focus groups and interviews) and through examining the existing published research. The study has shown that the women business owners are making significant contributions to global economic health, national competitiveness and community commerce by bringing many assets to the global market. As per the analysis of the research study, women entrepreneurs have demonstrated the ability to build and maintain long-term relationships and networks to communicate effectively, to organize efficiently, to be fiscally conservative, and to be aware of the needs of their environment and to promote sensitivity to cultural differences.

Researchers contend that women business owners posses certain specific characteristics that promote their creativity and generate new ideas and ways of doing things. These characteristics include focus, high energy level, personal motivations, self employed father, social adroitness, interpersonal skills etc. There is a worldwide pool of economically active persons, known as the Women’s Indicators and Statistical Data Base (WISTAT), from which one can extrapolate the general number of women entrepreneurs. WISTAT titles the category “employers and own-account workers,” but the category could be termed as well as self employed or business owners. The category describes those who are economically independent and who could be entrepreneurs. The number of women to 100 men in each region is represented for three decades spanning 1970 to 1990. The study revealed that the gap between men and women business owners has narrowed significantly. In 1970 women numbered 26 for each 100 men, but by 1990 women numbered 40 for each 100 men who were self employed.

Tambunan [95] made a study on recent developments of women entrepreneurs in Asian developing countries. The study focused mainly on women entrepreneurs in small and medium enterprises based on data analysis and review of recent key literature. This study found that in Asian developing countries SMEs are gaining overwhelming importance; more than 95% of all firms in all sectors on
average per country. The study also depicted the fact that representation of women entrepreneurs in this region is relatively low due to factors like low level of education, lack of capital and cultural or religious constraints. However, the study revealed that most of the women entrepreneurs in SMEs are from the category of forced entrepreneurs seeking for better family incomes.

Das [96] performed a study on women entrepreneurs of SMEs in two states of India, viz, Tamilnadu and Kerala. The initial problems faced by women entrepreneurs are quite similar to those faced by women in western countries. However, Indian women entrepreneurs faced lower level of work family conflict and are also found to differ from their counterparts in western countries on the basis of reasons for starting and succeeding in business. Similar trends are also found in other Asian countries such as Indonesia and Singapore. Again the statistics showed that the proportion of business setup and operated by women is much lower than the figures found in western countries.

Singh [33] identifies the reasons & influencing factors behind entry of women in entrepreneurship. He explained the characteristics of their businesses in Indian context and also obstacles & challenges. He mentioned the obstacles in the growth of women entrepreneurship are mainly lack of interaction with successful entrepreneurs, social un-acceptance as women entrepreneurs, family responsibility, gender discrimination, missing network, low priority given by bankers to provide loan to women entrepreneurs. He suggested the remedial measures like promoting micro enterprises, unlocking institutional framework, projecting & pulling to grow & support the winners etc. The study advocates for ensuring synergy among women related ministry, economic ministry & social & welfare development ministry of the Government of India.

Lall & Sahai [97] conducted a comparative assessment of multi-dimen-sional issues & challenges of women entrepreneurship, & family business. The study identified Psychographic variables like, degree of commitment, entrepreneurial challenges & future plan for expansion, based on demographic variables. Through stratified random sampling & convenience sampling the data
have been collected from women entrepreneurs working in urban area of Lucknow. The study identified business owner’s characteristics as self perception self esteem, Entrepreneurial intensity & operational problem for future plans for growth & expansion. The study suggested that though, there has been considerable growth in number of women opting to work in family owned business but they still have lower status and face more operational challenges in running business.

Bowen & Hisrich [98] compared & evaluated various research studies done on entrepreneurship including women entrepreneurship. It summaries various studies in this way that female entrepreneurs are relatively well educated in general but perhaps not in management skills, high in internal locus of control, more masculine, or instrumental than other women in their values likely to have had entrepreneurial fathers, relatively likely to be first born or only child, unlikely to start business in traditionally male dominated industries & experiencing a need of additional managerial training.

Women network report on Women in Business & in Decision Making focus on women entrepreneurs, about their problems in starting & running the business, family back ground, education, size of business unit. Some interesting facts which came out from this report are less educated women entrepreneurs are engaged in micro enterprises, have husband & children but have no help at home. Most of the women establish enterprises before the age of 35, after gaining some experience as an employee somewhere else. The motivational factors were desire for control & freedom to take their own decision as well as earning handsome amount of money. Dedication of more than 48 hours in a week with the family support to their enterprises gave them a sense of self confidence. However, to maintain balance between family & work life is a major challenge before women entrepreneurs especially for those who have children & working husband.

Cohoon et al. [99] present a detailed exploration of men & women entrepreneur’s motivations, background and experiences. The study is based on the data collected from successful women entrepreneurs. Out of them 59% had founded two or more companies. The study identifies top five financial & psychological
factors motivating women to become entrepreneurs. These are desire to build the wealth, the wish to capitalize own business ideas they had, the appeal of startup culture, a long standing desire to own their own company and working with someone else did not appeal them. The challenges are more related with entrepreneurship rather than gender. However, the study concluded with the requirement of further investigation like why women are so much concerned about protecting intellectual capital than their counterpart. Mentoring is very important to women, which provides encouragement & financial support of business partners, experiences & well developed professional network.

**Greene et.al., [100]** evaluates the research & publication contribution in the area of women entrepreneurship. The study categorized various journal & resources of research on the basis of certain parameters concerned with women entrepreneurship like gender discrimination, personal attributes, financing challenges, business unit, context and feminist perspectives.

**Damwad [101]** describes the experiences, initiatives & obstacles faced at five Nordic countries like Finland, Denmark, Iceland, Norway & Sweden towards women entrepreneurship. It broadly identifies few obstacles like financing, lack of knowledge & skills in business life, markets & entrepreneurial activity, work life balance including lack of growth & wishes to grow and most importantly women as other groups are heterogeneous. The study compares early stage entrepreneurial male & female activity among Nordic countries with the same of USA. It also compares various programme & schemes developed by Nordic countries & agencies that provide support to them. OECD & European Commission are focusing on methodologies in analyzing quantitative & qualitative women entrepreneurship. The Nordic countries need a framework for policy learning develop a proper policy mix towards promoting women entrepreneurship.
2.6 REVIEW OF LITERATURE ON DETERMINANTS OF SUCCESSFUL ENTREPRENEURSHIP

Jesper B. Sørensen and Patricia M.Y. Chang [102] evaluate the academic literature that examines the question “what characteristics of entrepreneurs and their senior management teams are most closely associated with, or capable of predicting entrepreneurial success.” By calling attention to individual entrepreneurs and their teams however, the question is a self-limiting one. The research that focuses on the entrepreneur as an individual or on the senior management team of an entrepreneurial venture is largely located within the fields of economics and psychology, while sociologists and organizational theorists have emphasized broader contextual factors driving entrepreneurial success. Ultimately it is very difficult to disentangle – for reasons discussed below – the relative importance of individual and contextual factors in explaining entrepreneurial performance, and partisans of each perspective are wont to interpret the results championed by others as supportive of their own views.

It is based on a broad and extensive reading of the literature on entrepreneurial performance. Articles were identified through a variety of methods, including journal searches, the tracing of citation patterns and internet searches for unpublished working papers. The use of article citation patterns was useful not only in identifying papers to read, but also in establishing (in an informal way) the relative importance of different contributions based on their citation frequency. The review draws on work from a wide range of fields and journals, including work by scholars in entrepreneurship, economics, psychology, organizational behavior, strategy, and sociology. However, while the interpretation of the literature is based on a broad reading of the literature, the review does not discuss each article in detail.

The topic of entrepreneurship as an academic area of study is relatively recent, and as is typical of new subjects, draws upon the insights of many disciplinary areas including business and management, sociology, psychology, economics, finance, and public policy. This makes the intellectual environment both fertile and messy. Standards vary across disciplines, as do approaches to
explanation, measures of performance, and definitional norms. The definition of an “entrepreneur” and what constitutes “entrepreneurship” is still a blurry distinction, albeit one that is gaining some clarity within fields.

Before considering the findings of past research, it is therefore helpful to consider a set of broader conceptual issues related to studying entrepreneurial performance. These have to do with basic definitions of entrepreneurship, the meaning and measurement of entrepreneurial performance, and methodological and inferential challenges in the empirical study of entrepreneurial performance. While such issues may at first seem dry and academic, considering them is in many ways a fundamental first step that must be taken before interpreting and using the results of past research for policy purposes, and as a guide to thinking about how best to encourage future research.

2.7 REVIEW OF LITERATURE ON ISSUES IN STUDYING ENTREPRENEURIAL PERFORMANCE

In order to study what makes an entrepreneur successful, it is necessary to begin by stating what an entrepreneur is or is not. There is surprisingly little consensus in the literature on how to define entrepreneurship, a necessary first step in defining and measuring entrepreneurial performance. In many respects, this diversity of beliefs and approaches is healthy, as it facilitates a wealth of different theoretical perspectives and empirical approaches. Yet in other respects this diversity is counter-productive. In particular, the multitude of definitions makes it quite difficult to reconcile the results of different studies, above and beyond the difficulties created by other variations in research designs, such as different research settings etc. Much ink is also spilled over the “correct” definition of entrepreneurship, despite the fact that there is no clear reason why there should only be one definition.

Parker [103] one of the earliest definitions of an entrepreneur is offered by Cantillon who in 1755 defined an entrepreneur as one who conducts exchanges and bears risk as a result of buying at certain prices and selling at uncertain ones. In
other words, a broker—one who is willing to take market risks and brings different parts of the market together. This in itself indicates certain personal characteristics of entrepreneurs, i.e. those who are willing to take risks, and are able via networking ability and relationship building skills to bring different parts of the market together. A prominent example of the brokerage conception of entrepreneurship can be found in the work of the sociologist Ronald Burt, who has advanced a theory of the optimal social network structure for entrepreneurial behavior. The so-called theory of “structural holes” Burt [104] holds that individuals and firms can create and capture more value if they are in structural positions that connect otherwise disconnected actors.

Joseph Schumpeter [105] considered the sine qua non of the successful entrepreneur, i.e. innovation. In Schumpeter’s view, those who worked within conventional production or economic business models, making incremental changes in the process were not entrepreneurs. He reserved this term for those who developed new technologies or products that change the ground in which they are working, create new opportunities and change the way we think and operate in a given area of social activity. Thus, he would not consider the person who opens a new hamburger stand in a new location to be an entrepreneur (although many definitions would include this kind of business enterprise), but he would consider Ray Kroc, who created a new form of franchising hamburger outlets, to be an entrepreneur.

Defining and Measuring Entrepreneurial Performance

Here the focus is on two issues in the definition and measurement of entrepreneurial performance. One issue is related to the distinction between “entrepreneurship as organizing” and “entrepreneurship as innovation.” Successful performance under the two definitions may be quite different. A sole proprietor convenience store can be quite successful without contributing to Schumpeterian value creation in any way. In this case success means competently mustering the forces of production for the required tasks. High-technology, venture capital-backed firms, by contrast, typically cannot consider themselves successful if they are merely
well-run; they must also demonstrate the ability to create products with a large market potential. Successful innovation can occur without successful organizing, and vice-versa. This distinction is occasionally lost in studies of entrepreneurial performance.

There is substantial variation in the performance measures used in the studies under review, and the appropriateness of different measures depends on the definition of entrepreneurship employed. Performance measures include firm sales, firm revenue, sales growth, revenue growth, employee growth, tenure of founding members, and the persistence of an organization over time, to name a few. Successful organizing capabilities are not necessarily demonstrated through high growth rates; similarly, high growth rates are not solely a function of the firm’s ability to innovate. In this sense, many of the commonly employed performance measures are too crude, because they do not allow researchers to distinguish between the drivers of organizational ability and the drivers of innovative ability.

Xu and Ruef [106] A second issue to consider with respect to the definition and measurement of entrepreneurial performance is the potential disjuncture between externally visible measures of venture success and the internal measures of success held by the entrepreneurs themselves. Some entrepreneurs are attracted to the idea of forming companies, for example, and have no desire to stay beyond the excitement of starting a new venture. Others focus on getting a new venture to the point that it can be sold to a larger competitor without ever having generated any sales growth or revenue. Still others are interested in entrepreneurship less for the pecuniary rewards associated with launching new venture and more for non-pecuniary rewards such as autonomy and entrepreneurial identity

Inferential Challenges

The first of these is inherent to the task of studying entrepreneurial performance and reflects the difficulty of drawing solid causal inferences in non-experimental research designs. The second challenge is characteristic of the literature on entrepreneurial performance as it currently stands, but can be remedied
by better research design in the future. The first challenge arises from the interest of policy makers in drawing causal inferences. In other words, policy makers are generally most interested in identifying whether proposed interventions actually have the anticipated consequences, as opposed to establishing descriptive evidence of correlations between variables of interest. To see the nature of the first challenge, consider two extreme positions. On the one hand, one might argue that entrepreneurial performance is purely a function of the entrepreneur’s ability to carry out the innovating and organizing tasks required for the new venture. At the other extreme, one might argue that entrepreneurial performance is merely a function of the environmental or market opportunity that the entrepreneurial venture sought to exploit; a new venture that pursued an inherently more attractive opportunity will perform better than one that pursues an inferior opportunity, irrespective of the entrepreneur’s ability.

It is likely that the truth lies somewhere between these two positions, with performance being a mix of opportunity and execution. Yet the two extremes are useful as a way of understanding the difficulties inherent in interpreting the findings from studies of entrepreneurial performance. Consider, for example, how to interpret a (hypothetical) finding that industry experience increases new venture growth rates; in other words, ventures whose founders have previously worked in the same industry perform better. If one subscribes to the view that performance reflects entrepreneurial abilities, one would interpret this result as suggesting that industry work experience leads, for example, to greater knowledge of supplier and buyer practices and greater industry social capital, which in turn improve venture performance. In short, one might argue that industry experience leads entrepreneurs to run their firms better. Yet it is possible that industry experience has no impact at all on how well new ventures are run, despite its association with venture performance. If one subscribes to the view that venture performance is driven by the value of the available opportunities (and not by entrepreneurial abilities), then the effects of industry experience can be seen as operating in a different manner, namely through its impact on entrepreneurial entry.
In other words, the observed effect of industry experience may result from a process whereby individuals with more industry experience have a greater ability (while employed) to identify valuable entrepreneurial opportunities. Their superior performance, by this reasoning, is not because they did a better job at executing on their bets, but rather because they made better bets going in. It might appear that from a policy perspective, one can be indifferent with regard to the two alternative interpretations. Yet this is not the case, as the example is in fact a relatively benign case. This is a classic selectivity problem (Heckman 1976): the population of individuals who run new ventures are a non-random sub-sample of the population as a whole, which means that the observed distribution of individual characteristics is non-random as well. It is well-established that selectivity of this sort can lead to bias in the estimated effects of variables of interest. In other words, variables whose estimated effects suggest that they have a positive effect on entrepreneurial performance may in fact have a zero or negative effect, and vice-versa. This means, at the very least, that the conclusions drawn from analyses of samples of new ventures should be treated with caution and viewed as tentative. A better approach would be to address these issues more directly. In general, there is a bias in the literature on entrepreneurial performance toward the view that the contextual factors that drive performance can be “controlled for” through the inclusion of additional variables. Ultimately, however, such approaches are unsatisfactory, as the value of entrepreneurial opportunities is unobservable. A more promising approach is to design studies that account for potential selection effects more directly. This requires data sets that examine not only new venture performance, but also allow the researcher to model the process that drives entry into entrepreneurship. Little work has been done in this vein.

A second concern in the design of existing studies might be termed the “Compared to what?” problem. The issue here is again that most studies focus on performance comparisons among new ventures. These studies therefore generally result in conclusions along the lines that “factor X leads to superior entrepreneurial performance” and that “factor X” should therefore be considered an important driver of entrepreneurial success. Even if we accept the claim that factor X causes superior
performance, it is not clear that factor X tells us anything in particular about the nature of entrepreneurial venture. There is an additional selection concern that characterizes many of the samples of new ventures used in existing research, namely a survival bias that creates samples consisting of relatively successful firms (because the less successful firms fail too quickly to be included in the sampling frame). This distinction is most salient in studies of the effects human capital (typically education) on entrepreneurial performance. While these studies generally show positive returns to education in entrepreneurial performance, it is quite possible that this reflects a general effect of ability on performance, and not any distinctive role of education in the entrepreneurial process. Similar concerns can be raised with respect to studies that examine the psychological characteristics that lead to greater success among entrepreneurs. It is not clear, given that the samples are restricted to entrepreneurs, that these studies tell us much about what it takes to be a successful entrepreneur, as opposed to what it takes to succeed in general.

The solution to the “compared to what?” problem is for researchers to be explicit about the theoretical and empirical comparisons they are making. First, results from samples restricted to entrepreneurs or new ventures should be treated with appropriate caution. It is one thing to say that a variable is predictive of which among a set of entrepreneurs will perform at a higher level. It is another thing to say that people with high levels of that variable in the general population will make good entrepreneurs, since there may be important unobserved factors that interact with the variable in question to determine entrepreneurial entry and performance. This is perhaps most clearly seen by considering a factor such as need for achievement, which some have posited as being essential to entrepreneurship (McClelland 1961). The problem here is that the leaders of large, successful, established organizations may very well score high on need for achievement but be much more well suited to running an established, resource-rich firm than a scrappy, entrepreneurial venture. However, even if this is true, it might be the case that among a sample of entrepreneurs, those with higher need for achievement have greater drive and entrepreneurial success.
Second, more research should be done that explicitly compares how the relative impact of variables of interest on entrepreneurial performance and on non-entrepreneurial performance (typically performance in employment). Generally this involves making difficult counter-factual comparisons. Hamilton (2000), for example, compares individual earnings from self-employment to the predicted earnings of the same individuals had they been employed. Van Der Sluis, Van Praag and Vijverberg [107], summarize recent research on the returns to education in entrepreneurship in order to compare the estimated effects of education in employment and entrepreneurship, respectively. They find that the returns to education are smaller for entrepreneurs than for employees in Europe, but larger in the United States. Only with such an approach can researchers and policymakers identify the factors that are distinctive to entrepreneurial success.

Psychological Factors

The psychological literature has studied the personality characteristics of entrepreneurs in great depth. One of the personality traits that has received the most attention in a variety of studies is “the need for achievement” that David McClelland identified and explored in 1961. McClelland felt that achievement oriented individuals were a necessary contributing factor to rapid economic development and went on to further argue that an orientation towards achievement could in fact be deliberately cultivated through socialization and training i.e. individuals could learn entrepreneurial behavior. McClelland described entrepreneurs as leaders who were proactive and committed to others, enjoyed taking personal responsibility for their decisions, prefer moderate risks, enjoy feedback on their performance, and dislike routine and repetitive tasks. McClelland singularly noted, however that the crucial characteristic of successful entrepreneurs is a “need for achievement” rather than a desire for monetary gain.

Empirical evidence on the importance of need for achievement has been decidedly mixed. In general, reviews of this work suggest that need for achievement has weak, although perceptible, correlations with venture performance Aldrich and Widenmayer [108].
Johnson’s [109] review of previous studies suggests that need for achievement accounts for approximately 7% of the variation in new venture performance. However, this estimate is taken from a secondary analysis of multiple studies with widely varying measurement strategies and controls for alternative explanations for venture performance. Sandberg and Hofer (1987) found that industry and organizational characteristics were substantially stronger predictors of venture success than individual level characteristics.

Other psychologists have focused on the relationship between an entrepreneur’s “internal locus of control” and venture performance. Internal locus of control refers to an individual’s innate belief that their destiny or performance is determined by their own actions rather than external factors. The level of an individual’s internal locus of control is typically measured by the application of the psychometric scale known as the “Rotter scale” (Rotter, 1982). However, findings have been inconclusive, suggesting that while entrepreneurs do have a high internal locus of control, so do other types of successful business managers, Schiller and Crewson [110].

Psychologists have also studied the characteristics of “risk taking” found among entrepreneurs, theorizing that successful entrepreneurs are less risk averse than non entrepreneurs. This argument reflects the more general belief that entrepreneurial entry requires a more risk-seeking attitude. Van Praag and her colleagues found that entrepreneurs were more willing to gamble than employees, and that risk taking individuals were more likely to choose to become entrepreneurs. However some scholars argue that the distinction between positive approaches to risk taking and optimism is blurry, and that since there is research that tells us that entrepreneurs interpret their environments more positively than non-entrepreneurs, Palich and Bagby [111] it is difficult to analytically distinguish true risk attitudes from over optimism with regard to risk outcomes. Xu and Ruef’s [106] analyses of nascent entrepreneurs from the Panel Study of Entrepreneurial Dynamics suggest that nascent entrepreneurs are in fact more risk averse in the pursuit of pecuniary rewards than the general population.
Some researchers have argued that entrepreneurs are social misfits, displaced from mainstream society and in fact can be considered deviants from the social norm. Kets de Vries [113] argues that entrepreneurs tend to have a harder time accepting authority, or working closely with others making them more likely to start their own businesses as acts of “innovative rebelliousness” to boost their own self esteem and external respect. This hypothesis has received empirical support in the work of Light I and Rosenstein [114] who report that at-risk youth and prisoners often disdain employment opportunities and are more interested in starting and owning their own businesses. Burke et al. [115] In Britain, a government sponsored study also found that children who were most anxious to be accepted early in life were significantly more likely to be self employed later in life.

Shapero [112], found that 72% of a sample of entrepreneurs would want to go on and found another company if their present one failed, and Copulsky and McNulty [116] found similar evidence of those who are often referred to as “serial entrepreneurs”, those who go from venture to venture regardless of their success. This suggests that there is something deeper than profit or success driving certain entrepreneurs to start new ventures, and that it is indeed a personality type, although whether it is labeled as “deviant” or “adaptive” seems rather subjective. More importantly, it is not clear from prior research that it has any implications for entrepreneurial performance.

Ciavarella et al [117] examined the relationship between the “Big Five” personality characteristics and venture survival. The Big Five model is a well-established and robust indicator of personality used among personality theorists. Well-established measurement scales exist for identifying five core personality characteristics: extraversion, emotional stability, agreeableness, conscientiousness and openness to experience. Ciavarella et al examined the relationship between the Big Five factors and venture survival in a sample of ventures launched by alumni of a major university. The only factor that had a consistent, significant effect on venture survival was conscientiousness, which is characterized by traits such as being responsible, well organized, hardworking, achievement oriented and persevering. Individuals who scored high on this dimension founded ventures that
survived longer. However, this finding may not reflect superior performance among conscientious individuals, but rather greater entrepreneurial persistence. In other words, these individuals may have been able to create more value in other forms of economic activity but persisted in entrepreneurship in the face of inferior returns.

**Baum and Locke [118]** A more recent stream of psychological research has revived the focus on individual traits as drivers of entrepreneurial performance. In particular, the work of Baum and Locke and their co-authors has focused on the influence of individual skills, motivation and personality traits on venture performance. Their studies of venture performance in the architectural woodwork industry suggest that while personality traits like tenacity, passion for work and proactivity do not have direct effects on venture performance, they do have indirect effects. Specifically, they find that these traits are positively correlated with the CEO’s general and specific skills, as well as their level of motivation. Since skills and motivation have direct effects on venture performance, the overall model implies that the traits in question do influence venture performance, albeit indirectly. They do not relate the traits they study to the Big Five personality factors studied by Ciavarella et al [117] although tenacity and perseverance appear to be similar constructs. There is an assumption in this research that the Big Five factors are fixed, invariant individual characteristics. This assumption underlies the measurement strategy used in the Ciavarella et al. (2004) study, since they measure personality and venture performance retrospectively. It is possible, however, that the assessment of personality is sensitive to the entrepreneurial experience, i.e., conscientiousness may develop as a consequence of long entrepreneurial experience. Suggestive evidence that something like conscientiousness improves venture performance. However, it should be noted that the “compared to what?” problem identified earlier is quite salient in the Baum and Locke studies, since their sample of firms is not restricted to entrepreneurial ventures. This suggests that the individual traits they identify as being important in venture performance may be generic leadership characteristics as opposed to factors that are uniquely important to the entrepreneurial context.
As noted earlier, one should exercise caution in using prior research as a template for identifying a distinctive personality type of the successful entrepreneur. Many of these studies focus on “successful entrepreneurs” to determine personality traits, without analytical comparisons to “potential entrepreneurs” who were not successful. Also, the traits of a successful entrepreneur are likely to show up in other occupations or roles in life and are not unique to entrepreneurs, Kaufmann and Dant [119].

**Education and Experience**

The education level of new venture founders is positively related to venture performance. Van der Sluis et al. [107] performed a comprehensive meta-analysis of 94 studies that included estimates of the relationship between schooling and entrepreneurial entry and performance. They conclude that schooling, irrespective of how it is measured, significantly and positively affects entrepreneurial performance. Gimeno et al. [120] find that relatively highly educated entrepreneurs take more money out of their ventures (presumably because there is more to take out), and are less likely to exit entrepreneurship. Bosma et al. [121] find that Dutch entrepreneurs who have completed higher education have higher reported profits.

However, education has no effect in their study on employment levels or on venture survival. Parker and van Praag [122], also in a study of Dutch entrepreneurs, find that a year of schooling increases the reported annual income of entrepreneurs by 12.7%. They argue that schooling also has an indirect effect on entrepreneurship by easing the capital constraints faced by new ventures. This indirect effect is estimated to be between 0.8% and 2.4%. Hamilton [123] finds that earnings are lower among self-employed who are high school drop-outs, and higher among college graduates.

As Van der Sluis et al. [107], point out, the interpretation of the estimated effects of schooling on entrepreneurial performance is ambiguous. In particular, it is not clear from existing studies whether this effect represents the
impact of investments in schooling per se on entrepreneurial performance, or whether it reflects the effects of ability. Differences in schooling levels are shaped by individual choices to continue schooling, which depend in part on ability. The fact that those with higher education appear to do better in entrepreneurship may therefore reflect the fact that they are on average more able. It is not clear that schooling per se improves entrepreneurial performance. Furthermore, it should be noted that many of the studies that examine the impact of schooling look at its effects on individual income, which is an imperfect measure of the performance of new ventures (since entrepreneurs can choose their income levels).

In considering the effects of experience, it is helpful to distinguish between four distinct types of experience: labor force experience, occupational experience, industry experience and entrepreneurial experience. The effects of labor force experience on venture performance are generally weak. In human capital models of earnings from paid employment, the positive effect of general labor force experience is seen as a reflection of returns to skills acquired during employment. Hamilton [123] finds little evidence that labor force experience has an impact on self-employment earnings in the United States. Bosma et al. [121] find that employment experience has no significant impact on venture survival or profit, but has a positive effect on venture employment levels. The effects of labor force experience are in some specifications captured (imprecisely) by measures of the age of the entrepreneur; however, age does not have consistent effects in models of entrepreneurial performance. In sum, there is little evidence to suggest that general labor force experience has a meaningful impact on new venture performance.

A number of studies suggest that an entrepreneur’s experience working in the same industry as their new venture has a beneficial impact on performance. Bosma et al. [121] find that the industry experience of the founder increases firm survival, firm profits and firm employment. Gimeno et al. [120] also find that experience in related businesses has a positive effect on performance, and has no effect on the likelihood of exiting entrepreneurship conditional on performance. This latter result suggests that the impact of industry experience on survival is not due to any effect on entrepreneurial persistence.
The industry experience effects reflect the common-sense notion that entrepreneurs will do better if they have pre-existing knowledge of buyers and suppliers in their industry, understand operational issues, etc. However, it is not clear that these findings are generally robust. Other studies find no evidence that industry experience influences performance.

One reason for this inconsistency may lie in the different types of entrepreneurial ventures examined in different studies. In particular, for ventures that are seeking to be innovative, it can be a liability to be too similar to the existing firms in the industry. Sapienza et al. [125] present evidence that suggests that the degree of relatedness between the “parent” firm (i.e., the firm in which the entrepreneur previously worked) and a new venture has a curvilinear effect on venture performance. Specifically, performance increases as the relatedness of the parent and the spin-off increases, up to an inflection point after which the performance of the new venture declines as it draws too heavily on the same knowledge as the parent. Sapienzena et al. show that this is true for the relatedness of production knowledge and technological knowledge, but not for the relatedness of marketing knowledge.

A second interpretation of the industry experience effects is that they reflect differences in the abilities of individuals to evaluate entrepreneurial opportunities. It is possible, for example, that people with experience working in an industry have a better sense of which entrepreneurial opportunities are most attractive; they may also be exposed to more valuable opportunities, for example through innovations that their firms develop but choose not to pursue. The superior performance of entrepreneurs with industry experience may therefore be due to their superior ability to decide when to launch a new venture, as opposed to any superior ability to run the new venture.

The most relevant form of occupational experience for entrepreneurial performance is managerial experience. Scholars expect that managerial experience should improve entrepreneurial performance because entrepreneurship contains, as discussed earlier, a core organizing function. However, the evidence for an effect of
managerial experience is somewhat mixed. Bosma et al. [121] do not find any effect of managerial experience on venture profits and employment, but do find that it improves venture survival rates. Gimeno et al. [120] find that prior management experience has a positive but statistically unreliable effect on the amount of money taken out of a new venture (suggesting the venture has better performance). They also find that prior management experience makes it more likely that the founder will shut the venture at a given level of economic performance; they argue that this reflects the better employment opportunities available to those with managerial experience.

Beckman and Burton [126], using a sample of high-technology start-ups in Silicon Valley, find that top management teams with prior management experience have greater success securing venture capital funding and going public. This effect may in part be driven by the signaling value of managerial experience to actors in the capital markets.

Finally, several studies consider the effects of prior entrepreneurial experience. Again, the results are somewhat mixed but generally suggest that ventures that are run by people with prior entrepreneurial experience have superior profits. There is also consistent evidence that previous experience in self-employment increases the likelihood of survival in new business ventures. Beckman and Burton [126] find that prior founding experience on the top management team increases the likelihood of receiving venture capital but has no impact on the likelihood of going public. Gimeno et al. [120] find that prior entrepreneurial experience makes the entrepreneur more likely to shut the venture at a given level of performance and hence are less persistent in a given venture; this may reflect a disposition toward serial entrepreneurship, but may also reflect a superior ability to know when to quit.

The interpretation of both the managerial experience and entrepreneurial experience effects is, as with the effects of industry experience, colored by the fact that the existing results are estimated from samples of new ventures. For example, individuals occupying managerial positions may be more selective in when and
where they enter entrepreneurship; their superior performance may be due to this and not better entrepreneurial management skills. Along the same line, individuals with managerial experience may have better options outside of entrepreneurship, which implies that only those with high entrepreneurial performance will be observed in entrepreneurship when the data for studies are collected. Similarly, individuals with prior entrepreneurial experience fall into two categories: those who have succeeded and those who have failed. In both cases we might expect them to be more selective in which opportunities they pursue (albeit for different reasons).

2.8 REVIEW OF LITERATURE ON OBSTACLES FOR WOMEN ENTREPRENEURSHIP

Cohoon et al. [99]. The entrepreneurial process is same for men and women. Successful men and women entrepreneurs undergo similar motivations and thus achieve success in largely same way under similar challenges. They are also found to have access to fund from the same sources. The same condition both men and women can be successful entrepreneurs. However, in practice most of the upcoming women entrepreneurs face problems that are of different dimensions and magnitudes than that faced by their male counterparts. These problems, generally, prevent these women entrepreneurs from realizing their potential as entrepreneurs. The major hurdles that the women face during starting and running a company generally come from financing and balancing of life. The balancing of life is caused due to lack of family support for the women. The other hindering external factors include gender discrimination, inaccessibility to information, training opportunities, infrastructure etc. Some internal factors like risk aversion by women, lack of confidence, lack of vision of strategic leader etc. can also create obstacles for the women entrepreneurship development.

Darrene et al. [127], performed a study on finding the relationship between elements of human capital and self employment among women. The study showed that self employed women differ on most human capital variable as compared to the salary and wage earning women. The study also revealed the fact that the education attainment level is faster for self employed women than that for
other working women. The percentage of occupancy of managerial job is found to be comparatively higher in case of self employed women as compared to other working women. This study also shed light on similarity and dissimilarity of situations for self employed men and self employed women. Self employed men and women differ little in education, experience and preparedness. However, the main difference lies in occupational and industry experience. The percentage of population holding management occupation is lower for self employed women as compared to self employed men. Also the participation levels of self employed women are found to be less than of self employed men in industries like communication, transportation, wholesale trade, manufacturing and construction.


Jalbert [13] performed a study to explore the role of women entrepreneurs in a global economy. It also examined how women’s business associations can strengthen women’s position in business and international trade. The analysis is performed on the basis of facts and data collected through field work (surveys, focus groups and interviews) and through examining the existing published research. The study has shown that the women business owners are making significant contributions to global economic health, national competitiveness and community commerce by bringing many assets to the global market. As per the analysis of the research study, women entrepreneurs have demonstrated the ability to build and maintain long-term relationships and networks to communicate effectively, to organize efficiently, to be fiscally conservative, and to be aware of the needs of their environment and to promote sensitivity to cultural differences.

Researchers contend that women business owners posses certain specific characteristics that promote their creativity and generate new ideas and ways of doing things. These characteristics include focus, high energy level, personal motivations, self employed father, social adroitness, interpersonal skills etc. There is a worldwide pool of economically active persons, known as the Women’s Indicators and Statistical Data Base (WISTAT), from which one can extrapolate the general number of women entrepreneurs. WISTAT titles the category “employers and own-
account workers,“ but the category could be termed as well as self employed or business owners. The category describes those who are economically independent and who could be entrepreneurs. The number of women to 100 men in each region is represented for three decades spanning 1970 to 1990. The study revealed that the gap between men and women business owners has narrowed significantly. In 1970 women numbered 26 for each 100 men, but by 1990 women numbered 40 for each 100 men who were self employed.

Tambunan [95] made a study on recent developments of women entrepreneurs in Asian developing countries. The study focused mainly on women entrepreneurs in small and medium enterprises based on data analysis and review of recent key literature. This study found that in Asian developing countries SMEs are gaining overwhelming importance; more than 95% of all firms in all sectors on average per country. The study also depicted the fact that representation of women entrepreneurs in this region is relatively low due to factors like low level of education, lack of capital and cultural or religious constraints. However, the study revealed that most of the women entrepreneurs in SMEs are from the category of forced entrepreneurs seeking for better family incomes.

Das [96], performed a study on women entrepreneurs of SMEs in two states of India, viz, Tamilnadu and Kerala. The initial problems faced by women entrepreneurs are quite similar to those faced by women in western countries. However, Indian women entrepreneurs faced lower level of work-family conflict and are also found to differ from their counterparts in western countries on the basis of reasons for starting and succeeding in business. Similar trends are also found in other Asian countries such as Indonesia and Singapore. Again the statistics showed that the proportion of business setup and operated by women is much lower than the figures found in western countries.

Singh [40] identifies the reasons & influencing factors behind entry of women in entrepreneurship. He explained the characteristics of their businesses in Indian context and also obstacles & challenges. He mentioned the obstacles in the growth of women entrepreneurship are mainly lack of interaction with successful
entrepreneurs, social un-acceptance as women entrepreneurs, family responsibility, gender discrimination, missing network, low priority given by bankers to provide loan to women entrepreneurs. He suggested the remedial measures like promoting micro enterprises, unlocking institutional frame work, projecting & pulling to grow & support the winners etc. The study advocates for ensuring synergy among women related ministry, economic ministry & social & welfare development ministry of the Government of India.

Lall & Sahai [97], conduct a comparative assessment of multi-dimensional issues & challenges of women entrepreneurship, & family business. The study identified Psychographic variables like, degree of commitment, entrepreneurial challenges & future plan for expansion, based on demographic variables. Through stratified random sampling & convenience sampling the data have been collected from women entrepreneurs working in urban area of Lucknow. The study identified business owner’s characteristics as self perception self esteem, Entrepreneurial intensity & operational problem for future plans for growth & expansion. The study suggested that though, there has been considerable growth in number of women opting to work in family owned business but they still have lower status and face more operational challenges in running business.

Bowen & Hisrich, (98), compared & evaluated various research studies done on entrepreneurship including women entrepreneurship. It summaries various studies in this way that female entrepreneurs are relatively well educated in general but perhaps not in management skills, high in internal locus of control, more masculine, or instrumental than other women in their values likely to have had entrepreneurial fathers, relatively likely to be first born or only child, unlikely to start business in traditionally male dominated industries & experience a need of additional managerial training.

Women network report on Women in Business & in Decision Making focus on women entrepreneurs, about their problems in starting & running the business, family back ground, education, size of business unit. Some interesting facts which came out from this report are less educated women entrepreneurs are
engaged in micro enterprises, have husband & children but have no help at home. Most of the women establish enterprises before the age of 35, after gaining some experience as an employee somewhere else. The motivational factors were desire for control & freedom to take their own decision as well as earning handsome amount of money. Dedication of more than 48 hours in a week with the family support to their enterprises gave them a sense of self confidence. However, to maintain balance between family & work life is a major challenge before women entrepreneurs especially for those who have children & working husband.

Cohoon et al. [99], presents a detailed exploration of men & women entrepreneur’s motivations, background and experiences. The study is based on the data collected from successful women entrepreneurs. Out of them 59% had founded two or more companies. The study identifies top five financial & psychological factors motivating women to become entrepreneurs. These are desire to build the wealth, the wish to capitalize own business ideas they had, the appeal of startup culture, a long standing desire to own their own company and working with someone else did not appeal them. The challenges are more related with entrepreneurship rather than gender. However, the study concluded with the requirement of further investigation like why women are so much concerned about protecting intellectual capital than their counterpart. Mentoring is very important to women, which provides encouragement & financial support of business partners, experiences & well developed professional network.

Greene et al. [100] evaluates the research & publication contribution in the area of women entrepreneurship. The study categorized various journal & resources of research on the basis of certain parameters concerned with women entrepreneurship like gender discrimination, personal attributes, financing challenges, business unit, context and feminist perspectives.

Damwad [101] describes the experiences, initiatives & obstacles faced at five Nordic countries like Finland, Denmark, Iceland, Norway & Sweden towards women entrepreneurship. It broadly identifies few obstacles like financing, lack of knowledge & skills in business life, markets & entrepreneurial activity, work life
balance including lack of growth & wishes to grow and most importantly women as other groups are heterogeneous. The study compares early stage entrepreneurial male & female activity among Nordic countries with the same of USA. It also compares various programme & schemes developed by Nordic countries & agencies that provide support to them. OECD & European Commission are focusing on methodologies in analyzing quantitative & qualitative women entrepreneurship. The Nordic countries need a framework for policy learning develop a proper policy mix towards promoting women entrepreneurship.

2.9 REVIEW OF LITERATURE ON ROLE OF ENTREPRENEUR AS INNOVATOR

Joseph Schumpeter [128] The function of the entrepreneur is to reform or revolutionize the pattern of production by exploiting an invention or, more generally, an untried technological method of producing a new commodity or producing an old one in new way, opening a new source of supply of materials or a new outlet for products, by organizing a new industry

Robert D. Hisrich and Michael P. Peters [129] The concept of innovation and newness is an integral part of entrepreneurship in this definition. Indeed, innovation, the act of introducing something new, is one of the most difficult tasks for the entrepreneur. This ability to innovate can be observed throughout history, from the Egyptians who designed and built great pyramids out of stone blocks weighing many tons each, or the Great Big Temple in Thanjavur, Tamil Nadu –India, that was built with extraordinary design to Apollo Lunar module that was sent to Moon and laser beams. Although the tools have changed with advance in science and technology, the ability to innovate has been present in every civilization. Interest in entrepreneurship today arises from the recognition that it is an activity that is important for economic growth.

Van Stel and Caree [130] Entrepreneurship is not confined to any one particular industry, country or group of persons; it exists in everybody but depends on individual’s desire. Enterprising behaviour has been found in all societies, and in
all types of economic circumstances. Whilst the term usually refers just to an individual, it is also possible to find whole organizations that can be classified as entrepreneurial in the way they do business and seek to grow.

Vosle in 1994 quoted that “The entrepreneur is one who drives the process of economic growth and mediates the inputs and outputs of the economic system”. In the broadest sense, an entrepreneur may be described as a person who has the ability to explore the environment, identify opportunities for improvement, mobilise resources and implement actions to capitalize on those opportunities. **Zimmer and Scarborough [131]** Entrepreneurs have a well-defined sense of opportunities. After identifying the opportunities they then creatively assemble the necessary resources to capitalize on them. As risk takers, entrepreneurs bring about new products and services, and indeed, add colours to a society.

2.10 REVIEW OF LITERATURE ON THE ENTREPRENEURSHIP DEVELOPMENT IN OTHER COUNTRIES

**Ralph D. Christy & Wylin Dassle [132]** Rural entrepreneurship in Mississippi Delta and Grande Valley of America was not performing well. The regression model was used to examine the cause of the poor performance in business by analyzing the human capital and economic growth in that region. The region had been known as ‘Black Belt’ and majority of the settlers were Africans who settled down in that region after the war. The reason for poor performance of business was that entrepreneurship education and programs were not conducted sufficiently. This resulted in poor performance of the entrepreneurial activity

**James Richardson [133]** The Global Entrepreneurship Monitor (GEM) monitors the entrepreneurial activities of Asian countries and the role that entrepreneurs play in economic development in rural area. Cross-sectional analysis was used in examining the data from GEM revealing the role of governments and international organisations in supporting the enterprises thus contributing to economic growth
Jun Li and Harry Matley [134] The relevant issues relating to the local entrepreneurial state and the ways it facilitated the emergence of entrepreneurship in rural area in China has spurred Li and Matley to conduct a study on the relationship between entrepreneurship and small business development. They conducted a survey among 800 entrepreneurs randomly selected from Beijing, Shanghai and Guangzhou to examine the relationship between entrepreneurship and small business development. The result shows that there was no significant relationship between entrepreneurship and small business development.

Lin Na [135] In China, the emergence and evolution of rural bio-energy entrepreneurship in rural area was regarded as a business venture. In order to determine the business performance, the data were collected from three sites within South East China (Liuminying, Shengchang and Heyong) which is part of Fujian province. The framework designed by Jacobsson and Johnson was used in cross examining the factors supporting the growth of bio-energy entrepreneurs. Factor analysis revealed that the networking among the entrepreneurs was the key factor for the continuous growth in the bio-energy development.

Sharmina Afin et al [136] Development of entrepreneurship among the rural women in Bangladesh has significant relationship with the micro credit system. Multivariate Analysis technique has been used in identifying the factors relating to finance management among the rural women. A model of micro credit program was developed to examine the factors that lead to the success of the rural woman in managing their credit and sustaining the business as well. The outcome was that the family members and spouses have given the support for the borrowers to maintain the financial commitment

Sibylle Heibrum [137] In Israel, twenty-two percent of the population are Kibbutz communities people. Factors influencing entrepreneurial intensity among the kibbutz communities were unknown. He administered questionnaires on their activities for a period of ten years (1994 to 2004) by using the comprehensive questionnaire techniques. The factors that maintained the entrepreneurial intensity among the kibbutz communities in Israel were organisational size and age.
Gary Bosworth [138] The impact of educated rural immigrants setting up new business in North East England was an issue for human capital and social economy. Bosworth investigated the factors supporting their entrepreneurship by collecting data through postal survey. The result revealed the rural immigrants having higher educational qualification engage in networking among themselves and have contributed to the development of human capital and social economy.

Li Yu and Artz [139] Entrepreneurs with rural origins prefer to start their businesses in rural areas and half of entrepreneurs migrate back to their home in particular to take local comparative advantages. Li Yu and Artz investigated on entrepreneurship activities and drew a connection between migration and economic development, especially the role of business formation in rural development. They found that the rural entrepreneurs start business within their vicinity because they were able to obtain financial support from family members, friends and local banks to start a business.

2.11 REVIEW OF LITERATURE ON ENTREPRENEURSHIP DEVELOPMENT AND ECONOMIC GROWTH

Ciregory Thang and H.Y Teoh [140] investigated the industrial firms by selecting sixty-nine industrial firms and using the Multiple Discriminant Analysis to examine their approaches towards business. The researchers have categorised the industrial firms into three groups as defender, prospector and analyser. Establishing the grouping has been in vain as the result shows no significant differences among the industrial firms.

Sara Carter [141] The economic potential of the portfolio entrepreneurship among the farmers in Cambridgeshire of United Kingdom made a substantial contribution to enterprise and employment. Sara Carter conducted a survey among 300 farmers to analyze the performance of the portfolio entrepreneurs and the result revealed that the farmers were having multiple business interest which has contributed to the success of enterprise and employment.
Bostjan Antonic and Robert D Hisrich [142] The importance of corporate entrepreneurship is to create wealth for organisation and individual. Bostijan and Robert recognized the importance of entrepreneurship and wanted to know the relationship between corporate entrepreneurship and wealth creation. Data were collected from 477 Slovenian entrepreneurial firms. They found that the corporate entrepreneurship makes the difference in organisation wealth creation thus levering the growth and profitability.

Kenneth L.R. et al [143] Social scientists believe that to combat poverty, entrepreneurship development within low income communities is a viable strategy. Kenneth and co-researcher use the framework by Oldsman and Hallbey to examine the entrepreneurial outreach initiative, which has spurred economic growth. The result disclosed that entrepreneurial activities in low-income communities have indeed reduced poverty.

Hector Salgado B [144] Self Employment has been contributing to economic growth among the counties as stated in OECD Report (Organisation for Economic Co-operation and Development). Hector S examined the relationship on entrepreneurship and economic growth on the selected counties mentioned in OECD report. The investigator has used cross-sectional analysis to check on the variables. The result disclosed that entrepreneurship and economic growth were interrelated.

Laura G [17] The government of United Kingdom claimed that building an enterprise culture is vital for the emergence of an enterprise economy. In order to build the culture the enterprise skill has to be inculcated through proper education. Laura G and co-researchers have ventured into examining the potential of entrepreneurship education among the students in higher education. The data were collected from four universities with a sample size of 519 students. The collected data was analysed using the Cross Tabulation Analysis. The result shows that students have great awareness of the skills required for entrepreneurship and large proportion of the sample believes that they were equipped with required skill to sustain in the economy.
Acs Z. [145] The contribution of entrepreneurship towards economic growth is that it has created new businesses and in turn it has created new jobs. The competition among the entrepreneurs may even increase productivity. He wanted to distinguish “necessity entrepreneurship” (a person having to become an entrepreneur because there is no other option) from “opportunity entrepreneurship” (an active choice to start a new enterprise). The data were collected from eleven countries through Global Entrepreneur Monitor. The research disclosed that “necessity entrepreneurship” has no effect on the economic development while “opportunity entrepreneurship” has a positive and significant effect.

Jason Henderson [146] Entrepreneurship has been increasingly recognized as a primary engine of economic growth. Jason H examines the entrepreneurs’ link between new idea and economic growth, particularly in rural area of Kansas city, United States. The researcher collected data of self-employment and proprietors to analyze the entrepreneurship activity. The outcome showed that new idea has significant relationship with economic growth.

Adegoke Oke et al [147] Innovation was predominant among the small medium enterprise in United Kingdom. This has inspired Adegoke Oke and co-researchers to explore into performance based on radical or incremental types of innovations. They used a web based survey instrument and collected the data from small medium enterprises from manufacturing, engineering, electronic, information technology and telecommunication industries. The result disclosed that small medium enterprises tend to focus more on incremental than radical type of innovation.

Arson Spencer et al [148] Entrepreneurship development theories have produced different entrepreneurship definitions. Aaron and co-researchers examine the definition based on Schumpeter’s theory as comparative study. The researchers categorised the definition into two groups - creative destruction and equitable wealth distribution. The study disclosed that technology based entrepreneurs were agents of wealth distribution and bio-based entrepreneurs and nano-based entrepreneurs in pharmaceutical industry were agents of creative destruction.
Crisian Chelarics et al [149] In Romania, Cristian C and co-researchers have attempted to identify the antecedents of entrepreneurship propensity between an individual level and organization levels. The researchers conducted a survey on business students and retail sales people. The regression analysis was used to determine factors. The result showed that sales people had higher antecedents of entrepreneurship.

Harvay Johstone [150] The success of an aboriginal community called “Membertou First Nation” in New Zealand has prompted Harvey J to examine their achievement. The aboriginal community forms entrepreneurship that comprises of small and medium sized enterprises. Johstone found that the fast growing business has created jobs and wealth for the aboriginal community.

Molly S C et al [151] The creation of mutual business among renewable energy sectors in Wales, UK has drawn from entrepreneurial researchers. Molly S. C and co-researchers examine the link between sustainability and cooperative enterprise with regard to renewable energy business. The researchers found that the cluster of community based enterprises was the key factor in sustaining the renewable energy business.

Nerys Fuller-Love et al [152] The rural economic development at Wales, United Kingdom has been dependent on small business owners. Nerys Fuller and co-researchers examine the performance of these rural small business owners by comparing with urban small business owners. The researchers invited rural small business owners for group discussion. The data that was collected showed that rural small business owners were not doing well compared to urban small business owner.

Paul J. Ferri et al [153] The role of networking in starting up a business in development stage is important. Paul J F researched on social capital effects on the business start up. The World Values Survey was used in identifying the impact of social capital on new venture and entrepreneurial process. The result revealed that social capital has no role in networking
Oscar Gonzalez B et al [154] In the region of European Union, Oscar G and co-researchers explored on the relationship among entrepreneurship, market orientation and business performance. A survey was conducted among 183 firms located in Castilla region. The result revealed that a strong relationship exists between entrepreneurship and market orientation.

Katerina L S, et al [155] Entrepreneurial training on creativity and innovation assisted in the development of business of Northern Greece. The researchers collected data among, one hundred and sixteen entrepreneurs who own small, medium and very small enterprises from that area. Questionnaires method was used in collecting the data and cross tabulation analysis was used in verifying the data. The result revealed that entrepreneurs, owners of small-medium enterprises, managers of enterprises of micro and small medium enterprises in Northern Greece were aware of the importance of creativity and innovation.

2.12 REVIEW OF LITERATURE ON WOMEN ENTREPRENEUR ROLE IN ENTREPRENEURIAL ACTIVITIES

Lloyd W F et al [156] Small Businesses can raise their productivity by training their employees. Small Business has to be creative to survive and grow in the business world. Researchers conducted a mail survey among two thousand employees in United States. Only two hundred and fifty two employees responded. The survey revealed that employees of small and medium enterprise were not getting proper training to keep them competitive. This revealed that the training supports business themselves.

Izzy and Catherine [157] wanted to know the effectiveness of policies on rural female entrepreneurs that prevent them from assuming rural enterprise ownership. The researchers examined the effectiveness of policies on rural female entrepreneurs by determining the characteristics of rural women. The study revealed that the policy did not focus on social and culture sustainability, which has prevented the rural women from taking up the enterprises.
Jin-ichiro Yamada [158] Small and medium enterprises in various sectors of Japan play a primary role of entrepreneurship relating to knowledge and social capital. A survey conducted among small and medium enterprises through questionnaire techniques found that the entrepreneurs have played the roles according to organisational needs. In addition, entrepreneurs have adopted the knowledge and created social capital among themselves.

Lina Nearchou Ellinas and Loanais S Kountoris [159] reflected on female entrepreneurial activity in Cyprus. Their study was carried out for the Women’s Cooperative Bank of Cyprus. It was an attempt towards gaining greater understanding on the women entrepreneurs, who were developing enterprise activities in Cyprus. The research reveals that the demography, size of the enterprise and the impact of multiplicity of roles were the strong characters of women business owners’ presence in the local economy in entrepreneurial activity.

Alison Morrison [160] Entrepreneurship theories and concepts within the small family tourism business was examined by Alison. A model was developed to understand the entrepreneurship process through an industry set-up. The result revealed that entrepreneurship process interplays within family business and in turn sustains entrepreneurship theories.

Fredric K. et al [161] In the Republic of South Africa, Fredric K and co-researchers worked on the interrelationships among entrepreneurial orientation, market orientation, learning orientation and international business venture. A survey among 386 entrepreneurs and 143 senior managers was initiated. Result disclosed that performance was positively related to the innovative component of entrepreneurial orientation, market orientation and learning orientation.

Helen R. and Raija K [162] In Finland, a comparative analysis on rural small firm entrepreneurs’ motivation and financial performance was undertaken by Helen and Raija. They conducted two separate studies on craft industries and rural tourism, which was part of private enterprises in Europe. They concluded that the
job satisfaction and customer satisfaction were the key factors leading to the successful performance of rural small firms.

Yan Feng Z. and Chunnlin S [163] In Fujian province of China, the Chinese entrepreneurial activities were dependent on the impact of external factors. Yanfeng and Chulin explored on the external factors affecting the performance of entrepreneurs. They developed a linear regression model that comprises several variables. The data was collected from ninety-one Chinese entrepreneurs. The analysis revealed that environmental factors have strong influence on entrepreneurial culture and atmosphere.

Abel Duarte Alonso [164] In recent years Alpaca ownership in New Zealand has been developing gradually. Abel D A conducted a study on the ownership of Alpaca owners in North and South of rural New Zealand. Two hundred and thirty-two Alpaca owners were studied through questionnaire method. The result revealed that motivation was the key factor for Alpaca owners to be successful in the Alpaca ownership.

Magaret Kobia and Damary Sikalieh [165] In Kenya difficulties were encountered in defining entrepreneurship despite the research that has taken place in the field of entrepreneurial careers. Mageret and Damary explained that classification of entrepreneurship could not be identified as the research has mainly focused on traits and opportunity.

Oliver Masakure et al [166] Financial performance of microenterprises in Ghana is dependent on living standards of the people. Masakure et al collected the data from Ghana Living Standard Survey (1998 to 1999) and used the ordinary least squares to examine the factors that led to enterprise performance. The result revealed that the marketing factor assisted the performance of the microenterprise.

Rajesh Raj S.N. and Mihir K. M [167] India has adopted partial and total factor productivity method to sustain business. Rajesh and Mihir explored on the performance of small manufacturing enterprises during the pre-reforms
(prior to 1991) and post-reforms period (1991 onwards). The researchers use the data from National Sample Survey Organisation (NSSO), Government of India for analysis. The result disclosed that there was a decline in growth during the reforms period compared to the pre-reforms period. The primary factor was fall in employment and investment. The researchers suggested that the enhancement of technical efficiency and skills of the labour force would assist in sustaining the productivity.

Alan T.B. et al [168] Entrepreneurial knowledge has been important for many entrepreneurs who learn from the experience of other entrepreneurs. Alan and co-researchers have explored on the knowledge transfer among the entrepreneurs regarding the entrepreneurial product development and the level of sharing the knowledge. The investigation was carried out among the medium-sized manufacturing firms in Mid-West United States of America. The data were analysed using the Cross-Tabulation analysis, the analysis revealed that there was knowledge sharing among the firms thus sustaining the business invention that elevated the growth.

Eugenia P and Niki Cloveli [169] In Greece, Eugenia and Niki examine the effects of training support to measure the entrepreneurial skills and attitudes of rural women entrepreneurs. A survey among the rural women was conducted and data was analysed using the descriptive statistics. The result revealed that women entrepreneurs had benefited from the training support. The evidence of their decision making skills and balancing between work and family was also a factor in entrepreneurship.

Antonio C M and Susanna Paula L M [170] In Portugal, incubating business ideas in rural communities has been declining. Antonio and Susania conducted a case study of an entrepreneurial support organisation in France, which is part of European Region. In France, similar situation has occurred but the incubation business was successful. The researchers have encouraged the rural communities of Portugal to adopt the conceptual ideas of incubating business from France in order to rejuvenate business.
Chantal McPhee and Annette St-Onge [171] In Morocco, microfinance has a role in facilitating growth of the entrepreneurs. A research was conducted on the microfinance institutions on their role in providing funds to the entrepreneurs. The rapid growth in clients and assets were the key factors for these institutions to be considered successful in lending the capital to the entrepreneurs that enable them to start-up business.

Cheng-An Tsai and Chao-Tung Wen [172] In China, subsidiary entrepreneurship was affected by relational embeddedness, which includes parent company, customer, suppliers and government bodies. A survey was conducted to examine the associations between relational embeddedness and subsidiary entrepreneurship. The result revealed that there is no relationship between relational embeddedness and subsidiary entrepreneurship because of different government policies.

Eugenia P [173] In Greece, e-mentoring support to women entrepreneurs was implemented to allow the women to achieve their personal goal and enhance the promotion of business ventures. Eugenia researched on the relationship of mentors and mentees to the known level of satisfaction. Questionnaires were given to the target population before and after six month period of e-mentoring. The data collected show that women entrepreneurs have been given sufficient services to gain the goal and become a role model to others. On the part of mentors, they have gained publicity and broadened up their connections with the women entrepreneurs.

Tulus Tambunan [95] In Indonesia, support has been given by the government to develop the small and medium enterprises in the country. The enterprises were expected to play a crucial role in employment creation and GDP formation. Tulus researched on the networks developed by the small and medium enterprises among the clusters and the role of the government in developing the SMEs. The result shows that 90 percent of firms outside the agriculture sector were networked. The government has initiated the required support for development in rural area through establishment centers. However, researcher noted that there is lack of training opportunities for women entrepreneurs.
Caroline Saunders and Paul Dalziel [174] A small local government of New Zealand planned a capital-based frame work to sustain the development of rural areas. The framework was designed to measure the stocks of human made products, natural products and human, social and cultural capital, which will promote the social, economic, environmental and cultural well-being of their communities. The researchers examined the effectiveness of the framework by using secondary data. The result revealed that the capital based framework was effective and has assisted the local government in planning, especially in the areas of social and cultural capital.

Manjunala S. & John B Cullen [175] The effectiveness of social institutions and national culture factors on entrepreneurship at the National Level in India was unknown. Manjula and John researched on the effectiveness of social institutions by collecting the data from research papers on the related field from 1980 to 2009. The findings revealed that there were effects of entrepreneurship on both social institutions and national culture.

Xiwen Cheng [176] Balancing the urban and rural development has become a key point of development in China. Xiwen investigated on the effectiveness of policies in rural economy, especially in financial support. The data were collected from China Rural Policy from year 2000 to 2009. It was observed that rural policies were effective in providing rural economic support and social development.

2.13 ROLE OF DEMOGRAPHY IN WOMEN ENTREPRENEURSHIP

Barton J. C. et. al [177] Decision making among the manager and entrepreneurs is essential in business contexts. Barton J C and co-researchers have collected data form USA, UK Canada, New Zealand, Australia, Hong Kong and Singapore. The researchers found that attitude and behavior element were the key factors for decision making among countries that has been surveyed.
Charles Jabani Mambula and Frank E. Sawyer [178]. In Africa, the important role of small business and entrepreneurship in meeting the development goals of the millennium had to be identified. Charles and Frank initiated a case study approach on small plastics manufacturing firms in Nigeria. They found that innovative design and pricing were the strategies for success of small business.

Jarkko Prysiainen, et al [179]. In Europe, the agriculture sector has faced dramatic pressures for facilitating the entrepreneurial skills of farmers. Jarkko P., examined the nature of entrepreneurship skills in agriculture sector. The result shows that farmers need to be educated in entrepreneurship skill in order to become successful in entrepreneurship.

John Ray et al [180]. In United Kingdom, entrepreneurial abilities were essential in order to become an adviser to small business. John R., wanted to know the entrepreneurial abilities of small business adviser. He collected sample data and developed a matrix to cross-examine the abilities. The result shows that there is a relationship between entrepreneurial activities and success as adviser to small business.

Katie Aitken [181]. The barriers to start up an enterprise among young rural people in North East England were studied by Katie A. The data were collected from young entrepreneurs and it was found that there were no barriers for young entrepreneurs to start up a business. In addition, the researcher found that there was strong evidence of supportive formal and informal networks, access to low and no cost premises for young working entrepreneurs to live.

Rajagopal [182]. Understanding the success of venture managers in Latin American business environments has urged researchers to study the external and internal strategies. The data was collected through semi-structured interviews among managers of multinational companies in Mexico. It was found that high levels of commitment, competitive skills and dynamics in functional management were the key to success of venture managers.
Patrick Low K C [183] In Singapore the cultural obstacles have prevented the people from setting-up business. Patrick Low investigated the factors that prevented the Singaporeans from setting up business. The data were collected through focus groups. The result disclosed that entrepreneurs were over compliant, over-pampered and afraid of failing. These were the obstacles that prevent the Singaporeans from starting business.

Chi Kim Cheung [184] Beginning as an entrepôt in 1841, Hong Kong has become one of the leading financial and business centres in Asia Pacific Region. The factors that led the country to excel in business environment was the entrepreneurship education program in secondary schools. Cheung examined the effectiveness of entrepreneurship education program in secondary schools by sending questionnaires to all secondary schools in Hong Kong. The survey revealed that schools have taken comprehensive approach in delivering entrepreneurship education. The entrepreneurship education indeed prepares the students to become entrepreneurs in early stage of education.

Gurmeet Singh and Rakesh Belwal [185] In the capital city of Ethiopia, Addis Ababa, women entrepreneurs faced problems related to small medium enterprises. Gurmeet and Rakesh explored the problem by conducting a focus group discussion among the women entrepreneurs. Lack of entrepreneurial skills and management competency, lack of exposure to market sector, limited support from government and lack of technology skill were identified as problems faced by the women entrepreneurs.

Amzad Hossain et al [186] Factors that influence women entrepreneurship in Bangladesh were examined by Amzad H by adopting qualitative and quantitative analysis. A questionnaire was used in collecting the data. The result revealed that women were facing problems in establishing their own business due to lack of financial support, family commitment, limited knowledge and skill.

Bensik A. Krasniqi [187] In Kosovo, Besnik A.K., explored on the influence of personal household on entrepreneurship. Using a binary choice model,
household survey was conducted. Result revealed that males who live in urban areas have been involved in entrepreneurial activities and no significant effect of marital status was found.

**Kamal Naser et al [186]** Factors that motivate women in the United Arab Emirates (UAE) to become self-employed were studied. About 750 women entrepreneurs in the UAE were asked to express the degree of agreement with the factors listed in the questionnaire. The result shows that financial support from the government especially in the start-up capital was an important factor that motivates women to establish their own businesses. Others factors were self-fulfilment, knowledge, skills and experience, including relationship to spouse/father business.

**Serazul Islam Md [188]** New small businesses started by people in Pabna and Gazipur, two district of Bangladesh, were examined on their difficulties. Interviews were conducted among 250 small entrepreneurs. The study revealed that lack of higher formal education, inability to adapt to family style business and unfamiliar lines of business were difficulties faced by the small business owners.

**Talat Afza and Muhammed Amir Rashid [189]** In Pakistan, the impediments, which surround the remote women entrepreneurs, have limited their growth opportunities and prevented them from being successful entrepreneurs. Talat and Amir collected data through interview and focus group discussions. They identified that the lack of educational opportunities, insufficient family support and absence of entrepreneurial orientation were the impediments that prevent the growth of remote women entrepreneurs.

**David A. McGranahan et. al [190]** David A.M. examined the growth of new establishment in USA by conducting a survey among creative workers. A sampling test confirmed that interaction of entrepreneurial context with creative workforce employed is strongly associated with growth in number of new establishment and employment.
2.14 WOMEN ENTREPRENEURSHIP DEVELOPMENT RESEARCH IN INDIA

Several researchers have studied the Women Entrepreneur Development that has taken place since 2003.

Sindhu S. Narayan and P.S. Geethakutty [280] Women entrepreneurship has been recognised as an essential ingredient of economic development in Kozhikode, Palakkard and Thissur districts of Kerala. Sindhu and Geethakutty studied the factors that contribute to the economic growth in these districts. The researchers developed the entrepreneurial success index to measure the level of success in agribusiness by the women entrepreneurs. Result revealed that majority of women were self-initiated and innovative and these factors coupled with support from the financial institutions were the factors that led these women entrepreneurs to be successful.

Subrata Dutt [192]. The rural industrial entrepreneurship through non-farm entrepreneurship has contributed to the economic development in Bengal Region of India. Subrata D., examined the influence of rural industries by dividing the district into five administrative blocks and collected data from each block by schedule interviews. Using the Linear Structural Model, the data was evaluated. The result revealed that the rural industrial entrepreneurship has strong influence on the rural economic development.

Anil K Lai and Ronald W. Clement [193]. The market reforms in India have encouraged individual enterprises to enhance their economic growth. Anil and Ronald examined the individual enterprises in the government controlled environment and their response to market based environment. Education in entrepreneurial skills, financial support and net-working have enabled the individual enterprise to be successful.

Kalyan S and Atish C [194] investigated the marketing strategies of small scale bakery firms in the city of Kolkata in India, The researchers used the
customers’ survey to verify the performance of the small scale bakery industry in the light of their business strategies. The result divulged that the small scale bakery firms have aligned their operations with their business strategy.

**Arindam Banik et al [195]** The skill-based technology in India has changed the artisans’ routine livelihood and economic growth. Arindam Banik et al developed a theoretical model based on conditions of government sponsored poverty reduction programme. The model was used in cross-examining the situation of the artisan. The result revealed that changes depended on wages, toolkits and working condition.

**Jagannadha Pawan Tamvada [196]** The determinants of entrepreneurship and role of the entrepreneurship were little known in less developed countries. Jagannaadha collected the data through National Sample Survey Organisation of India and analysed it by using Bayesian semi-parametric methods. The result revealed that the determinants were self-employment, firm formation and geographical location

**Patricia R and Rajshekhar G J [197]** assessed the determinants that influenced the internationalization of small and medium sized enterprises in India. The importance of developing and promoting small and medium sized enterprises in India was to position them in the international market place, which was dependent on the economic situation. The assessment of economic situation of small medium enterprises revealed that there were resource gaps. The researchers summarized that utilization of technology and special infrastructure could enable efficient use of resources and enhance the entrepreneurial activities among the small medium enterprise.

**Amit K. Chakrabatty and Krishnamay Gosh [198]** The process of rural development is dependent on the support received from the members of rural cooperatives. Substantiating the facts, Amit and Krishnasamy collected the sample from 100 members. Data were collected from the published annual reports of rural co-operatives. Both the data were analysed and the result revealed that rural
cooperatives have improved the living standard of rural people and accelerated the process of rural development of the study area.

**Kalyanaram G.K [199]** India has adopted policies that have stimulated consumer demand and fostered entrepreneurship, whereas China has adopted policies that have encouraged resource mobilization. Kalyanaram has attempted to benchmark India’s growth and development against China by comparing the growth models and market potential. He found that China and India have adopted two different models of growth and concluded that India’s model is likely to be more sustainable.

**Lavanya and Murthy [200]** examined the factors that govern the entrepreneurial activities. They analyzed a sample size of 553 units in that district by using ANOVA and Z test. The result revealed that the high price of raw materials, lack of market mechanism and marketing of products were major problems faced by the entrepreneurs.

**Madhavi S P. [201]** did a comparative study of rural and urban women entrepreneurs in Ahmednagar District of Andra Pradesh. Sampling and Garrent’s ranking technique were used in comparing the rural and urban women entrepreneurs. The finding disclosed that women from rural area were not doing well due to lack of financial support and inadequate demand from customers.

**Cohoon et al. [99]**, present a detailed exploration of men & women entrepreneur’s motivations, background and experiences. The study is based on the data collected from successful women entrepreneurs. Out of them 59% had founded two or more companies. The study identifies top five financial & psychological factors motivating women to become entrepreneurs. These are desire to build the wealth, the wish to capitalize own business ideas they had, the appeal of startup culture, a long standing desire to own their own company and working with someone else did not appeal them. The challenges are more related with entrepreneurship rather than gender. However, the study concluded with the requirement of further investigation like why women are so much concerned about
protecting intellectual capital than their counterpart. Mentoring is very important to women, which provides encouragement & financial support of business partners, experiences & well developed professional network.

Darrene et al. [127] performed a study on finding the relationship between elements of human capital and self employment among women. The study showed that self employed women differ on most human capital variable as compared to the salary and wage earning women. The study also revealed the fact that the education attainment level is faster for self employed women than that for other working women. The percentage of occupancy of managerial job is found to be comparatively higher in case of self employed women as compared to other working women. This study also shed light on similarity and dissimilarity of situations for self employed men and self employed women. Self employed men and women differ little in education, experience and preparedness. However, the main difference lies in occupational and industry experience. The percentage of population holding management occupation is lower for self employed women as compared to self employed men. Also the participation levels of self employed women are found to be less than of self employed men in industries like communication, transportation, wholesale trade, manufacturing and construction. The analysis is based on data from the Current Population Survey (CPS) Annual Social and Economic Supplement (ASEC) from 1994 to 2006.

Singh [40] identifies the reasons & influencing factors behind entry of women in entrepreneurship. He explained the characteristics of their businesses in Indian context and also obstacles & challenges. He mentioned the obstacles in the growth of women entrepreneurship are mainly lack of interaction with successful entrepreneurs, social un-acceptance as women entrepreneurs, family responsibility, gender discrimination, missing network, low priority given by bankers to provide loan to women entrepreneurs. He suggested the remedial measures like promoting micro enterprises, unlocking institutional frame work, projecting & pulling to grow & support the winners etc. The study advocates for ensuring synergy among women related ministry, economic ministry & social & welfare development ministry of the Government of India.
Tambunan [95] made a study on recent developments of women entrepreneurs in Asian developing countries. The study focused mainly on women entrepreneurs in small and medium enterprises based on data analysis and review of recent key literature. This study found that in Asian developing countries SMEs are gaining overwhelming importance; more than 95% of all firms in all sectors on average per country. The study also depicted the fact that representation of women entrepreneurs in this region is relatively low due to factors like low level of education, lack of capital and cultural or religious constraints. However, the study revealed that most of the women entrepreneurs in SMEs are from the category of forced entrepreneurs seeking for better family incomes.

2.15 REVIEW OF LITERATURE ON ENTREPRENEURIAL FUNCTIONS AND SME MANAGEMENT

Facing the fact that about 98% of all companies belong to the small business, it is not easy to outline features of the general kind. However, there are indeed some typical characteristics mentioned in literature which are relevant to describe the nature of SMEs and the peculiarities.

- Structural peculiarities of coordination. Due to the smallness of the firm the degree of structural complexity is low. Extensive hierarchies are often not required due to the fact that the management can often easily overlook and therefore control the whole business. The design of the business processes is lean since administrative back-up is only required to a limited extent. Consequently, the flexibility is usually higher compared with larger firms. This precipitates in coordination advantages of the small business.

- Prahalad and Bettis [202] Managerial peculiarities of coordination. Small business is particularly characterized by the influence of the owner-managers. The management process is therefore to a large extent personalized and dependent on the entrepreneurs’ dominant logics. The low degree of structural
complexity allows them to control and steer the whole organization or at least considerable parts of it. As a consequence, formal planning procedures are not so much required than in large organizations. This does not mean that planning does not take place. However, it is practiced the more implicit way which is much more effective in such settings. Facing the considerable impact of the owner-managers on the management process, entrepreneurship is much more depending on single persons compared to larger companies. As a consequence, many of the findings from those parts of entrepreneurship theory which refer to single persons can be transferred to SMEs. Finally, considering the key role owner-managers play, capacity restrictions (managerial bottlenecks and lack of specialized knowledge and professionalization) turn out and highlight the liabilities of coordination small business is confronted with. This might end up in reactive strategies of small companies which is, however, not necessarily so. A strong countervailing effect among others is e.g. the unity of ownership and leadership which helps to avoid a good deal of conflicts at the interface to the financial markets. The situation SMEs are in simultaneously fosters the nurturing of strategic potentials and a long-term orientation which is sometimes out of reach in case of shareholders expecting short-term profits.

- Risk-taking peculiarities. Beaver [203] following the above train of thoughts, the small business is much more personalized. This affects the risk situation as well. The owner-managers usually invest considerable amounts of capital for a long time. These (strategic) investments are reliable and at the same time outline the (financial) restrictions many SMEs are confronted with. Other risk factors are well documented in literature. SMEs usually depend on a rather small customer base, have limited bargaining power and have to specify their assets to a large extent in order to
find an attractive position in niche markets. In a nutshell, the vulnerability in case of crises is high and there is a strong necessity to develop a reliable protection belt from the negative consequences of uncertainty.

- Peculiarities of innovation. Innovation and renewal in the meaning of Schumpeter [105] comprises product, process, organizational, and market innovations. As for the innovation profile of SMEs we cannot simply consider SMEs to be generally more innovative than large firms. Nevertheless there are some important features regarding the input, throughout, and consequently, the output of the innovation process which bring about an advantageous state Gibbons – O’Connor [204]: There is typically neither a well-equipped R&D department nor specialized R&D personnel in SMEs. Concerning the R&D output this situation is rather meaningless since the logic and the run of innovation processes is quite different from larger companies. Many employees and owner-managers are involved and rethink the given processes and products more fundamentally. The reason for this is the limited structural complexity so that they can easily overlook major issues the company is concerned with and start processes of innovation and renewal. The low degree of structural complexity in case of SMEs is furthermore one reason why the innovation processes run smoothly and rapidly compared to large companies. Given these through advantages of innovation processes of the different kind SMEs are in a promising position to achieve high levels of R&D productivity and innovativeness as well. This helps SMEs to make their way even in turbulent environments.

- Peculiarities of the market interfaces. SMEs are, by definition, characterized by the firm size. This smallness affects the firm’s positioning on factor, product, financial, and personnel markets in terms of bargaining power, name recognition, and brand
awareness. SMEs are by no means restricted to a focus on niche markets. However, the size limits market penetration and diversification as well and goes along with predominantly focused product programs. If we regard the findings of the SME features which are well documented in literature, it transpires that all the peculiarities are connected with certain entrepreneurial functions discussed in the previous section of this paper. Coordination, managing uncertainty (risk management), innovation, and ‘market-making’ represent the featured areas. This gives rise to the impression that the managerial peculiarities can be best understood and considered in case of multi-functional approaches of entrepreneurship theory, as already introduced above. However, the Schneider [205] approach – dealing with a system of three functions that explain the emergence and evolution of the firm – does not seem to cover all the mentioned aspects.

Another approach introduced by Barreto [206], instead, seems to address the above-mentioned peculiarities. The next session dwells on the opportunities of multi-functional approaches and the considerations of Schneider [205] and Barreto [206] in more detail. The objective is to introduce a multi-functional approach matching the peculiarities of SME management in turbulent business environments.

2.16 REVIEW OF LITERATURE ON A MULTI-FUNCTIONAL ENTREPRENEURSHIP APPROACH FOR SME MANAGEMENT

Barreto [206] analyzed the development of entrepreneurship theory and identified four striking functions: coordination (referring to Say), arbitrage (with reference to Kirzner), innovation (based on Schumpeter), and risk management (according to Cantillon, Hawley, and Knight). The functions fit perfectly to the discussion in the above section. However, they are not derived the way Schneider [205] did who intend to explain the evolution of firms as institutions. The different
functions are more or less collected from a literature review but not aligned within an overarching framework with functional contexts explaining the start-up, the development and the potential breakdown of firms. Schneider’s approach is appealing from this point of view, although we can ask ourselves whether we consider the risk-taking function original for the constitution of a firm. If we want to understand why firms are founded by entrepreneurs we arrive at the point that something new has to be created as a source of income. According to that, innovation appears to be much more basic than bearing uncertainty. Nevertheless, managing uncertainty is closely connected with any kind of innovation. However, it cannot be regarded as the usual trigger of venturing. Therefore, the following considerations focus upon developing an approach being relevant to SME management by addressing the basic features of SME management as outlined above and mirrored by the functional catalogue offered by Barreto [206]. This approach should be equipped with the formal rigor of the Schneider [205] system and help to explain organizational evolution in the context of survival in competition. Accordingly, the respective approach should address the formation of firms and how to keep the competitiveness over time. This corresponds with the following functional contexts:

- Start-up and (continuous) renewal of the firm as a system,
- (purposeful) exploitation of the firm and its given asset endowment, and
- protection of the firm in often complex and turbulent environments.

System renewal is a pervasive task, in particular in changing business environments. It implies that not many things can be regarded as given. Products and assortments have to be adapted to the (anticipated) changes in markets and environments. Processes need to be improved in order to avoid being outpaced in competition. Organizational structures are usually effective in a given internal and external context but need to be assessed and maybe adapted, modified or replaced if any kind of change occurs. It transpires, that every firm and in particular the SMEs
are challenged to manage system renewal thoroughly. The system renewal puts a certain organizational structure and strategy in place.

Another challenge is to make use of the potential offered by the given organizational structure. System exploitation responds to this fundamental task. This implies that internally the given potentials are to be activated and allocated in order to find the most effective applications. Externally the firm has to manage transactions for using the potential of the value-added facilities. Insofar system exploitation has an external and internal dimension as well.

Innovating and exploiting the system carefully is not enough in order to withstand the menacing forces of competition. Uncertainty goes along with opportunities to be taken by system renewal and system exploitation. However, uncertainty also implies threats and unfortunate developments because present and future cannot be perfectly overlooked. This comes along with the need for system protection. The stream of entrepreneurship theory which we dwell on here (multi-functional approaches) is useful since it creates a balanced picture of opportunities and threats. For the purpose of clarification, mono-functional approaches based on innovation or arbitrage on the one side or risk-taking propensities on the other are not able to address the multitude of effects in the light of uncertainty. This is one reason for referring to this part of entrepreneurship theory which is now to be introduced in more detail and to be refined. Entrepreneurship theory does not rely on a uniform system of basic assumptions. Moreover, the grounding in streams of organization theory is different. This reminds us to carefully point out the assumptions and the basic reasoning of the multi-functional approach we refer to. The antecedents are typical for market process theory and to be summarized as follows:

- Agents make their decisions in a world of uncertainty. The agents’ knowledge, skills, and motivations are asymmetrically distributed. A position of subjectivism is applied.
- The distribution of knowledge, skills, and motivations is not given but subject to on-going developments. Path relatedness of
agents and firms is a pervasive feature of business life. Asset development and asset erosion are the consequences and reveal the evolutionary perspective which is chosen.

- Decision-making intends to follow the typical criteria of rationality. However, due to incomplete information decision-making is nothing else but a process of “trial and error”, best-known from the tradition of the Austrian Economics.

- (Entrepreneurial) Agents intend to improve their given situation in terms of economic benefits and do not treat the circumstances they are in as given and unchangeable. Instead they strive for fostering fortunate and weakening unfortunate forces in order to attain advantageous positions in the long-run. It is assumed that agents are equipped with enough power in order to change their situation at least partly. However, the influence is, by far, not unrestricted. There are in fact some restrictions which cannot be modified. This implies concerning the relationship between firms and the business environment that a position of moderate voluntarism is chosen. Such a position fits to typical understandings of the role of entrepreneurs. Entrepreneurs question the situation and look out for new horizons what the business can be and how it could be done.

Facing these antecedents, the fundamental positioning of this stream of entrepreneurship theory in management and organization theory transpires. A subjectivist point of view is chosen. Change plays an important role. However, the path dependence of decision-making suggests that radical changes can take place but usually once in a blue moon due to embeddedness reasons. Agents and firms are embedded in a sequence of decisions, in lots of different stakeholder relations of the internal and external kind, and often face high levels of commitment. Radical change might be possible but minor (not unimportant) changes are typical for business life. Consequently, the multi-functional approach favoured here belongs more or less to the so-called “interpretive paradigm” as introduced
by Burrell and Morgan [207], who tried to structure the heterogeneity of organization theories by four paradigms. It is important to notice that the interpretive paradigm is in many regards far away from common economic theory which predominantly belongs to the functionalist paradigm according to Burrell and Morgan [207].

The next step is about how to respond to the functional framework of system renewal, system exploitation, and system protection in the light of entrepreneurial functions being relevant to small business. The basic idea is to make use of the (too eclectic) functional catalogue developed by Barreto [206] in order to categorize the functions the way Schneider [205] did. The result is introduced below.

The function includes product, process, organizational, and market-related innovations – all of the major and the minor kind as well. More importantly, the different kinds of innovations are not to be regarded as stand-alone tasks but have to be well aligned in order to avoid organization/environment misfits in the long run. As a consequence of performing the innovation function as a whole, the structures of the firm will be permanently questioned and – if necessary – renewed. The innovation function in this wider understanding according to Schumpeter [205] provides the firm with a structural context to be exploited by the other functions which are introduced below. The more the different kinds of innovations are aligned among each other and correspond with external developments, the more the respective SME is in a position to accumulate power and to trigger a process of creative destruction, as Schumpeter [205] already stated.

The (permanently renewed) structures, consisting particularly of the products and assortment, the activities, and the asset endowment, provide the firm with a potential to act. This potential is to be exploited internally and externally – the latter regarding any transaction in the markets and the business environment. Internally the coordination function enables the firm to activate the given potential whereas externally the arbitrage function is required to manage the transactions the profitable way in the long run.
In more detail, coordination does not only comprise managing the value-added process which is, in fact, a core part of internal coordination. One can argue that value-added activities are not exclusively an internal issue facing the fact that customer participation in the value-added process might take place Lovelock [208] which particularly holds true in particular in case of service production. This, however, can easily be subsumed to internal coordination since it has the only purpose to bring customized products to the market interface. Moreover, internal coordination is about putting the available assets in place so that they can unfold their potential and enable both effective and efficient activities. Managing the value-added activities and the basic asset endowment represent core issues of organization. Finally internal coordination comprises issues of motivation. As pointed out earlier, SMEs offer a rich potential of motivation due to their structural advantages. However, SME management in the area of internal coordination goes far beyond structural issues and addresses sense making in organizations as well. To develop sense making values and cultural elements triggering creativity at work is therefore a pervasive task of coordination which is in SMEs to be fostered and directed by the entrepreneurs.

Whereas internal coordination refers to exploiting the system internally, the arbitrage function is about the external issues of system exploitation. In particular by executing the arbitrage function, the SMEs intend to bridge the gap between the individual supply conditions of the firm and the requirements of the demand. This requires identifying opportunities of transaction Kirzner [209] and sometimes to proactively generate and shape such opportunities Lachmann [210]. Having achieved this, arbitrage is about managing the terms of trade the profitable way in the long run. This helps to exploit the potential transactions offer. Executing the arbitrage function includes screening relevant information, accumulating knowledge and making use of alertness Kirzner [209]. From an SME angle, the search for business opportunities is not restricted to the actual market niches small business firms might be (or feel) committed to. Instead of this, arbitrage in a sense Kirzner [209] includes being open-minded for any kind of business where the entrepreneurs believe that they could fill given gaps between demand and supply by
alert moves. The only criterion being relevant to consideration is the opportunity to raise arbitrage profits. Due to the flexibility mentioned above, SMEs are in good positions, indeed, to open new markets in order to exploit the firm’s conditions more comprehensively.

System renewal and system exploitation are accompanied by system protection. In predominantly complex and dynamic, sometimes turbulent business environments SMEs are well advised to equip the firm with a protective belt. The risk management function directly refers to this issue and intends to protect the firm from the negative consequences going along with uncertainty. This delineation is necessary because the opportunities in connection with uncertainty which are basic to raise superior profits in competition are already addressed by the other functions mentioned above. Subject to risk management is first of all the recognition of risks which highlights the pervasive role of knowledge management. There is in fact no entrepreneurial function the execution of which can abstain from managing knowledge thoroughly since otherwise opportunities of innovation, challenges of coordination, and potentially advantageous transactions cannot simply be recognized. With regard to SME management it transpires that ‘radar systems’ should be available to ensure that even weak signals of risky and dangerous developments can be accessed and interpreted as early as possible for preparation reasons. Having identified risks, a risk assessment allows the firm to make decisions on taking or distributing/transfering risks. It is almost needless to say that this is only possible in case of scanned and evaluated risks. Ex post surprises which are possible in case of uncertainty as well are subject to a more or less ‘ad hoc’ risk management that often ends up in the management of ‘ad hoc crises’ Burmann et al [211]. Risk management is about making such situations unlikely although we know that those surprises are, in principle, not avoidable. Accordingly, the firm is confronted with taking risks both the planned and the unscheduled way. Risk-taking implies to find adequate solutions in case of occurring negative consequences. For SMEs this part of executing the risk management function is difficult as well since slack resources are usually restricted. An integrated management of risks in order to protect the system needs to take this into account.
which usually goes along with emphasizing the other sub-functions (risk scanning, risk transfer).

As an interim result, entrepreneurial SME management rests upon the execution of the four entrepreneurial functions introduced above. It is worth mentioning that the single functions should not stand alone. Defined as outlined in this section they are mutually exclusive and collectively exhaustive enough in order to cover the managerial issues SMEs have to cope with. Accordingly, a core task is to put these functions in place in such a way that they are internally aligned and well adapted to the situational context, the firm is confronted with. This leads to a debate on dynamic fit Itami [212] which considers the notion of moderate voluntarism: The things cannot be shaped completely the way SMEs want to but there are, in particular in the long run, opportunities to set new standards so that both organizational and business environment paths of development might be subject of influence. These considerations play a role in the final step of this paper where first hypotheses are derived.

There are various surveys and studies that indicate that women entrepreneurship is on the rise the world over. In India too, there has been a substantial escalation in women entrepreneurship and several surveys conducted of late, further validate this overwhelming phenomena. —Women entrepreneurs are a vital source of growth that can power our economies for decades, yet they face tremendous challenges to their full economic participation. The GEM Women’s Report provides important data which is critical to our understanding of women-run SMEs.

A survey was conducted by Women’s Web in 2012, where 100 Indian women entrepreneurs were interviewed and some of the findings of this survey were very interesting. Majority of the respondents were small & medium business owners. It also clearly indicates the confidence of women in India and how even at a young age, they are rearing to actualize their dreams.

The Dell Women’s Global Entrepreneurship 2012, India study further substantiates the fact that women business owners in India are feeling confident and
this is because business is doing well. When asked about expectations for business growth, women entrepreneurs in India are very optimistic about it.

These are all signs that women are fearlessly taking the initiative to implement a creative idea and are no longer afraid of taking risks. Women entrepreneurship is definitely an emerging trend. In the times to come gender disparity at the work place will wane and there will be the meteoric rise of the woman entrepreneur. So a broad insight into the literature review suggests that, today the Indian women entrepreneurs increasingly are a force to be reckoned with. "According to the Women’s Global Entrepreneurship study conducted in US, UK and India, commissioned by Dell [213], it has been found that the ideal country for a woman starting a business in 2012 could well be India." that a new wave of entrepreneurship is going to thrive in these turbulent times. So it becomes imperative for the researcher to examine the rise of Women Entrepreneurs in India over the years. Therefore, the primary objective of the research is to study the significant rise of Women Entrepreneurs in India and how it has evolved since the pre-independence days (Before 1947), during the British colonial days.

2.17 RESEARCH GAP IDENTIFIED AND STATEMENT OF THE PROBLEM

A clear and detailed review of literature on the Women Entrepreneurship and its dimensions, the researcher found a gap in the success factors of women in utility services industry and its dimensions. The research on the small and medium sized women entrepreneurs involving in utility services industry and performing in Chennai City is chosen for the study. The utility services identified for the purpose of research on the basis of initial field survey. The study covers ten types of utility services like Child Care and Day Care, Beauty Care Centers, LIC Agency, Tailoring and Decorative Paintings, Play School / Nursery School, Courier Services, Small Savings Agency, DTP, Xerox and Typing Centers, Telephone, STD and Cell Recharge and Catering and event management. These are all requires lot of specialized skill and passion to take up and do in a professional way. These services can have direct reflection from the customers. The study covers the whole Chennai.