CHAPTER 2

REVIEW OF THE RELATED LITERATURE
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2.1. Conceptual Framework of the Research

Review of Literature helps to study the economic impact of entrepreneurship in enterprises performance on the basis of entrepreneurial characteristics. The personality characteristics of entrepreneurs include:

A) Innovativeness
B) Risk-taking
C) Pro-activeness
D) Autonomy and
E) Competitive Aggressiveness.

The following variables are derivative **Independent Variable** to evaluate the impact of economic performance of small and medium-sized enterprises it includes:

A. Sales growth
B. Customer satisfaction
C. Market share and
D. Profitability.

**Dependent Variables** are:

1) Export
2) Employment creation and
3) LPG policies.
The study also examined the differences between producers, commercial and services in their exports and creation of employment according to performance. It covered sales growth, customer satisfaction, market share and profitability based on the findings of previous research studies. It also seeks to find the relationship between performance of small and medium enterprises, with reference entrepreneur characteristics’ and its impact on economic indicators. This is illustrated in below figure 2.1.
Figure 2.1: Independent and dependent variables in the study

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<tr>
<th>Independent Variable</th>
<th>Dependent Variable</th>
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<td>Customer Satisfaction</td>
<td>Sales Growth</td>
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<td>Innovativeness (I)</td>
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<td>RiskTaking (R)</td>
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<td>Characteristics</td>
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<td>Competitive</td>
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Source: based on this study
Because of their limited financial, human, and technological resources compared with large enterprises, SMEs are advantageous due to their, flexibility and innovation capacity which make them the major actors in the modern economy and exports. Recently, SMEs have been significantly successful in the international markets because smaller enterprises gain a competitive edge and contribute considerably to total exports. This changing role in the international trade caused them to contribute noticeably to the development and economic growth of many countries (Birch, 1988; UNCTAD, 1998; & Weaver et al 1998).

Observation of some of the rapidly growing Asian economies’ (e.g., South Korea, Singapore, Taiwan etc.) closely reveals that a great number of opportunities for economic growth originate from encouragement of SMEs’ export capabilities among others (UNCTAD, 1998).

It is obvious that exports have an undeniable role in any country’s economy by creating employment and promoting economic growth. Countries with no ability to support or motivate their enterprises to enter global markets tend to lag behind. The common belief is that export development is the best way for economic development (Seringhaus, 1986).

By the employment of entrepreneurship orientation in enterprises, instead of old methods of offering products, we can introduce new methods, rules, and offer totally different products. Effectiveness of activities is important but it is not the only one necessary for the success of the company because effectiveness only guarantees superiority over other competitors. Today, being superior also requires basic changes in rules of the enterprises. Ahmadi and Alhyari (2003) believe that such strategies can happen in supportive systems, distribution and communication, production policies and other areas.
The existing definitions of entrepreneurship mainly focus on the functional role of entrepreneurs, namely coordination, motivation, capital supply, uncertainty bearing, decision making, resource allocation and ownership (Frijjs et al 2002; Jääskeläinen, 2000). As a matter of fact, some of these functional roles which are mentioned frequently are associated with the following main schools of thought on entrepreneurship:

2.2. Definition of Entrepreneurial Characteristics

2.2.1. **Innovativeness**: the Schumpeterian entrepreneur is willing to accelerate the creation, dissemination and application of ideas.

2.2.2. **Risk-taking**: the Cantillon or Knightian entrepreneur who is willing to take risks associated with uncertainty.

2.2.3. **Pro-activeness**: the organization’s willingness to lead in developing new technologies and products and also in the introduction of new services instead of following the traditional market.

2.2.4. **Autonomy**: Lee and Peterson (2001) hold that for having strong autonomy, entrepreneurs require to operate within the cultures which promote their independent acting and seek opportunities as well.

2.2.5. **Competitive aggressiveness**: refers to the organization’s propensity in direct challenges with their competitors to reach to a better market position and even seeking to overcome them. As Venkatraman (1989) notes, competitive aggressiveness is a strategy taken by a company in which it allocates its sources to obtain positions faster than other competitors.

Wennekers and Thurik (1999) presented an operational definition for entrepreneurship which well synthesizes the function of entrepreneurship. They argue that: “…the manifest ability and willingness of individuals, on their own, in
teams within and outside existing organizations, to perceive and create new economic opportunities (new products, new production methods, new organizational schemes and new product-market combinations) and to introduce their ideas in the market, in the face of uncertainty and other obstacles, by making decisions on location, form and the use of resources and institutions (p.).”

Carree and Thurik (2002) reported that entrepreneurship is basically a behavioral feature of a person. They added that entrepreneurs may manifest their very behavioral characteristic only in certain phases of their careers or in certain activities.

2.3. Definition of 'Employment'

Employment is “a situation in which available labour resources are being used in the most economically efficient way. Full employment embodies the highest amount of skilled and unskilled labour that could be employed within an economy at any given time. The remaining unemployment is frictional (Kiel, December 1984).

Frictional unemployment is the amount of unemployment that results from workers who are in between jobs, but are still in the labour force. Full employment is attainable within any economy, but may result in an inflationary period. Inflation would result from workers, as a whole, having more disposable income, which would drive prices upward. Many economists have estimated the amount of frictional unemployment, with the number ranging from 2-7% of the labour force (Kiel, December 1984).

2.4. Definition of ‘Export’

Makableh (2013) explained exports as “a function of international trade whereby goods produced in one country is shipped to another country for future sale or trade. This sale of goods adds to the exporting nation's gross output. If used for trade, exports are generally exchanged for other products or services. Exports are
one of the oldest forms of economic transfer, and occur on a large measure between nations that have very few restrictions on trade, such as tariffs or subsidies”.

In other definition presented by Makableh (2013) says: of “most of the largest corporations operating in advanced economies will derive a large portion of their annual revenues from exports to other nations. The capability to export goods helps an economy to grow by selling more services and goods. One of the core functions of negotiation and foreign policy within governments is to foster economic trade in ways that benefit both parties involved”.

“Export” with its grammatical variations and cognate expressions, has in this context of my study it means, taking good out of one country to a place outside the country.

“Export goods” means goods which are going to be taken out of the country to a place else’s where.

“Exporter” in relative to any goods at any time, between their entry for export and the time when they are exported includes every owner or any person holding himself out will be the exporter.

“Employment opportunities”: Export trade calls for more production. More production opens the doors for more employment. Opportunities are available not only in the export sector but also in allied sectors like banking, insurance etc.

“Promoting economic development”: Exports are needed for promoting economic and industrial development. The business grows rapidly if it has access to international markets. Large-scale exports bring about rapid economic development of a nation.
2.4.1. Definitions of the Export Management

1. Export management means managing export marketing activities efficiently, smoothly and in an orderly manner.

2. Export management means finding opportunities for marketing goods and services, in foreign markets and exporting such opportunities for the benefit of an exporting firm, subject to existing export rules and regulations.

3. Export management is a specific area of business management and it is concerned exclusively with exporting goods abroad. It is concerned with international marketing activities and operations.

4. Export Management means planning, organizing, coordinating and controlling export activities to achieve desired export objectives without hassles and continuously.

2.4.2. Trends in India’s Exports

Export Growth

India’s exports have increased over the last two decades, from US $17.9 billion in 1991-92 to US $83.5 billion in 2004-05 and further to US $312.6 billion in 2013-14. Similarly, the share of merchandise exports from India in the world exports has increased from 0.5 percent in 1991 to 0.8 percent in 2004 and 1.7 percent in 2013. India’s greater integration with the world economy was reflected by the trade openness indicator, the merchandise trade to GDP, which increased from 14.3 percent of GDP in 1991-92 to 28.2 in 2004-05 and further to 41.8 percent of GDP in 2013-14.

During the five-year period 2004-05 to 2008-09, India’s merchandise exports grew at a compound annual growth rate Compound Annual Growth Rate (CAGR) of 23.8 percent compared to the 14.0 percent of the preceding five-year period. As a result of global financial crisis, export growth in 2009-10 was negative at (-) 3.6
percent and during the period 2009-10 to 2013-14, it grew by a CAGR of only 15.0 percent. This low growth was a result of both external factors like low global demand and domestic factors like infrastructural bottlenecks and policy constraints.

In the last five years, India’s export growth has seen ups and downs, being in negative territory twice in 2009-10 as an aftershock of the 2008 crisis and in 2012-13 as a result of the euro zone crisis and global slowdown. India’s exports were US$ 312.6 billion against a target of US$ 325 billion during 2013-14, though they grew by a positive 4.1 percent as compared to the negative growth of 1.8 percent during the previous year. Monthly export growth rates have seen many ups and downs in 2013-14.

After being in double digits continuously for four months from July to October 2013, they decelerated to single digit for three months from November 2013 to January 2014, and remained in negative territory in the next two months, and ended with a positive but low growth of 4.1 percent for the full year. In April 2014, export growth was slightly better at 5.3 percent and with the 12.4 percent growth in May 2014, double-digit growth was back after a gap of six months, though on a lower base. Exports registered double digit growth for the second successive month in June 2014 at 10.2 percent over June 2013. However, in July 2014 it was slightly lower at 7.3 percent. Export growth during 2014-15 (April-July) was at 8.6 percent over the same period of the previous year.

2.5. Definition of LPG (Liberalization, Privatization, Globalization)

2.5.1. Liberalization

Liberalizations denote looseness in the rule and regulations. When Government removes the restrictions from the fields of production exchange and distribution through its industrial export-import and taxation policies, it is called the Policy of liberalization (Sinha & Srivastava, 2012).
• The term “Liberalization” stands for “the act of being less strict”.

• Liberalization in economy stands for “The process of creating policies less compelling of economic activity.” And also “Reduction of tariffs and/or removal of non-tariff barriers.”

• Economic liberalization is a very comprehensive term that usually refers to fewer government regulations and restrictions in the economy in exchange for greater involvement of private entities; the principle is associated with neo-liberalism. The opinions for economic liberalization include greater efficiency and effectiveness that would translate to a "bigger pie" for everybody.

• In developing countries, economic liberalization refers more liberalization or further "opening up" of their respective economies to foreign capital and investments. Three of the fastest growing developing economies today; Brazil, China and India, have achieved rapid economic growth in the past several years or decades after they have "liberalized" their economies to foreign capital.

2.5.2. Privatization

Privatization is the process of converting an enterprise or industry from the public sector to the private sector. Privatization may involve either sale of government-held assets or removal of restrictions ending private individuals and businesses from participating in a given industry.

Privatization is a continuing trend in many parts of the world. Supporters of privatization maintain that the competition in the private sector adopts more efficient practices, which ultimately yield better service and products, lower prices and less fraud. On the other side, opponents of privatization argue that some services - such
as health care, utilities, education and law enforcement - should be in the public sector to enable greater control and ensure more impartial access.

Privatization connotes a wide range of ideas. Privatization implies induction of private ownership, management and control of organizations. Privatization can imply regulation meaning thereby lesser control of the government. It refers to expansion of private sector and reduction of public sector. The shift towards privatization reduces the role of the government and increases the role of the private, cooperative and local government.

2.5.3. Globalization

“Globalization can be defined as the strengthening of worldwide social relations which link distant localities in such a way that local events are shaped by events occurring several miles away and vice versa.” (Cambridge: Polity Press, 1990 p.64)

The closing decade of 20th century saw major social, political and economic transformations on a global stage. Globalization as the name suggests is a global economic measure which involves all national and international economic players including the all-pervasive administration. It is a multi-role, multi-layered occurrence in which everyone adds his bit.

Globalization entails privatization and marketization of economic and political structures in which ability of the state to control all the activities within its borders is becoming limited. Simply put, globalization in fact is a combination of free exchange of goods services and capital.

2.6. Liberalization, privatization and globalization of Indian Economy

Liberalization, privatization and globalization together have changed the Indian marketing operations. The Indian economy embarked its journey on LPG with adoption of new economic policy in 1991.
Under the globalization of Indian economy the following schemes are included:

- To avoid the foreign exchange control by and by to facilitate the multinational companies for investing in India;
- To allow foreign companies to invest in different economic activities in India;
- In place of quantitative restrictions tariffs should be substituted so that import liberalization program may be applied on a wider scale;
- To promote the exports by introducing changes in the exchange rate; and
- To allow Indian companies to work with the foreign companies.

The movement of globalization is persisting and continuing. It is no longer a choice; it is a fact. It is spreading its arms everywhere and the developed nations are using it as a means to control world economy. Few researcher’s label it as yet another form of economic colonialism.

2.7. Foundations of SMEs Performance

Success and failure firm performance refers to the firm’s success in the market, which may have different outcomes. Small and mediums enterprises performance is a focal phenomenon in business studies. However, it is also a complex and multidimensional phenomenon. Small and mediums enterprises performance can be characterized as the firm’s ability to create acceptable outcomes and actions (Pfeffer & Alancik, 1978).

In other words, performance can be seen to have different meanings by different people. In spite of these differences, people generally seem to have a similar idea of the phenomenon, i.e. of what kind of business based on enterprises performance have been successful (cf. Kay 1995: vi). Rather than maximizing the financial performance of the firm, the owner-manager may prefer independence and
style of life, for example (see e.g. Gray 1992; Jennings & Beaver 1995; Koiranen 1998: 29). Therefore, the role of an entrepreneur’s values and expectations may be very important.

However, even firms with lifestyle goals should attain at least a minimum profitability in their operations, i.e. their incomes should exceed costs, to ensure the continuity of operations. Moreover, according to Foley and Green (1989), whatever the goals for a small firm, many successful firms have similar characteristics.

Often, performance have been measured by growth SMEs that included: “customer satisfaction” turnover, number of employees, market share, profitability (e.g. profit, return on investment), and survival (see e.g. Storey 1994; Kauranen 1993; Smith et al. 1988; Robinson et al. 1984; Dess & Robinson 1984).

Brush and Vanderwerf (1992) suggest that growth is the most suitable indicator of the performance for the survival of small firms. Also, growth is an important prerequisite for the achievement of some other financial goals of business (de Geus 1997: 53; Storey 1994; Reynolds 1993; Day 1992: 128; Phillips & Kirchhoff 1989).

When we look in terms of an SME, growth is usually a critical requirement for its prolonged existence (Storey 1994: 158). Phillips and Kirchhoff (1989) have found that young firms that grow have twice the probability of survival as young non-growing firms. It is also found that strong growth may reduce the firm’s profitability provisionally, but increase in the long run (McDougall et al. 1994; cf. MacMillan & Day 1987).

A firm’s profitability can be a useful measure of performance in the case of large companies. The measurement of performance is more complicated when studying SMEs, for several reasons. First, the central goals and objectives of SMEs may be other than financial. Second, it is difficult to obtain reliable information on
the factors affecting the financial performance of SMEs. Third, organizational form can create artificial differences, and e.g. procedures for handling owner compensation can present major sources of error (Dess & Robinson 1984). Fourth, SMEs may be very reluctant to provide financial data on their performance (e.g. Dess & Robinson 1984). Fifth, it may take several years before a new business venture becomes profitable (Biggadike 1979).

The definition of SMEs performance may depend on the time frame: SMEs performance can be approached as a short- or long-term phenomenon. Even one year high economic output can be interpreted as SMEs performance success. However, the existence of the firm in the long run, i.e. longevity, can be interpreted as success of SMEs performance meaning firm survival. As a matter of fact, it has been argued that the most important and most challenging business goal is long-term survival (e.g. Simon 1996: 12). Moreover, survival is, at least in the long term, a prerequisite for success in other terms, such as market share or profitability.

2.7.1. Customer Satisfaction

In general, satisfaction is a person’s feeling of pleasure or disappointment that result from comparing a product’s perceived to their expectation. It is depending on the price, service and quality of product and there is a direct relationship among them and rate of selling and customer satisfaction. Measuring customer’s satisfaction has an essential role for businesses to achieve competitive advantage. Companies can have both customer knowledge and competitor’s knowledge in the market through measuring customer satisfaction.

It means when the demand for a product increased the customer satisfaction it is also raise up. In today’s marketplace the customer satisfaction it’s one of the main goals of the managers of companies and they are trying a lot for that. Nowadays in many companies they provide the human resource department who
specially work in customer satisfaction and take care of this kind of activity and performance.

Customer satisfaction level is showing the clear picture of trends to the manager of companies and it is one of the important parts in the marketing and developing of the business.

Actually if the company’s intent to be in stable or permanent competition with others they most increases the amount of customer satisfaction otherwise easily will loss, its main thing for trading strategy.

2.7.2. Sales Growth

Sales growth is an effort to stimulate consumers to purchase more and more of a particular commodity and make the marketing activity more effective. The main objective of sales growth is to effect spot buying by prospective consumers through short term incentive which are temporary and none recurring in nature.

Sales growth of any company can be estimated by three ways. The first one its historical growth rate while future growth many not always indicated by historical growth, but there are significant information in past growth for estimating the future. Secondly, the equity research analysts can be helpful for valuation of growth rate. But relying on the quality of growth estimates can be lead to wrong and conflicting assessments of value. Thirdly, company’s growth can be estimated by a company’s fundamentals. A company’s growth is evaluated through reinvesting in new assets and its quality consisting acquisitions, distribution and developing marketing capabilities.

2.7.3. Market Share

Market share it is the percentage of revenue for specific brand or company in the market. Vendors and companies are trying to have a major role on a share market. The companies invest their capital in the market which they will become the
part of the market by that and they have impact in the market competition, in strategic situation and tactical action. Increasing the market share it’s one of the main goals of every firm. According to the companies they wish to have market share on foreign exchange that is more common and will give more benefit to them in long period but in some extent it’s risky also. Investment in market or market share will decrease the variable of risks.

Market shares its display the competition in market and how companies with their experience take action against competitors. The market share will teach to the manager group of companies to take action and decision due to their operation on inflation period in the market. If the manager of companies takes a correct decision in the minimum level of time will give the profit to the companies and they stop the loss. Usually the market share of firms or companies will make asset for their shareholder and ownership which will increase the rate of satisfactory and investment in future.

2.7.4. Profitability

Profitability it is capability of trading to earn profit. The profit it is the revenue or income which is obtain from trading. The accurate determination of profit is of special importance between the shareholder and manager to indicate the present scenario whether business it is in right way or not and it is so helpful for manager decision making, without profit the business will not forward and the manager most have capability to analyze the last, present and future profitability of company. The company earns profits from the different sources like a) income from the business, b) income from other sources, c) income from investments and d) determination of surplus.

The profitability of companies will increase the margin of profit and also the margin of safety this two are main metrics for attract the investor. Profitability it is
the target of manager and playing a major role in company’s development and forward movement. For instance if the companies or industries are in profitability situation definitely more number of investor will invest their capital and when the level of earning increase it means there is Return on Investment (RoI). Therefore the utilizing of profit in the best possible manner is of crucial importance.

2.8. Review of the Related Literature

Ács et al (2014) in their study titled “National systems of entrepreneurship: Measurement issues and policy implications”, introduced a novel concept of national systems of entrepreneurship and provided an approach to characterizing them. National systems of entrepreneurship are fundamentally resource allocation systems that are driven by individual-level opportunity pursuit through the creation of new ventures, with this activity and its outcomes regulated by country-specific institutional characteristics. In contrast with the institutional emphasis of the national systems of innovation frameworks, where institutions engender and regulate action, national systems of entrepreneurship are driven by individuals, with institutions regulating who acts and the outcomes of individual action. Building on these principles, they also introduced a novel index methodology to characterize national systems of entrepreneurship. The distinctive features of the methodology are: (1) systemic approach which allows interactions between components of national systems of entrepreneurship; (2) the penalty for bottleneck feature which identifies bottle-neck factors that hold back system performance; (3) contextualization which recognizes that national entrepreneurship processes are always embedded in a given country’s institutional framework. In summary, output measures of entrepreneurship monitor new firm entries in the economy, using either survey or registry data.

Amorós and Stenholm (2014) investigated the influence of the quality of government institutions on entrepreneurial motivation exploring the variance across
countries. Despite the increasing understanding of the relationships between institutions and entrepreneurship, the influence of the quality of government institutions on entrepreneurship is less addressed. This paper focused on this critical determinant of entrepreneurship in developing and developed countries. Drawing from institutional theory they hypothesized and empirically assessed the role of the quality of institutions in entrepreneurial activity. They examined how the quality of government institutions influences the rate of necessity-based entrepreneurial activity across countries and overtime by using a time-series approach on the data from the Global Entrepreneurship Monitor (GEM) database covering the years 2001–2011. Their results suggest that higher economic development associated with better quality of institutions reduces the prevalence of necessity-based entrepreneurship. Their findings imply that developing countries must rationally organize their functions, and seek to remove unnecessary barriers, decrease political instability, and controls that hamper entrepreneurial activity. Their findings have important implications for public policy. The results suggested that for developing countries in general, the quality of institutions alone does not enhance or improve entrepreneurship but it strongly affects the type of entrepreneurial activity in a country. This implies continuing efforts for the reduction of unemployment and necessity-based entrepreneurship.

Arshad et al (2014) studied the impact of entrepreneurial orientation (EO) on business performance in a study of technology-based SMEs in Malaysia. The purpose of this study was to determine the impact of entrepreneurial orientation which is represented by five dimensions of business performance. A simple random sampling technique was adopted in which only 100 technology-based SMEs in Malaysia responded to the survey questionnaire and a total of 88 responses deemed to be usable. Descriptive statistical tools were used to analyze the data specifically Pearson product-moment correlation and regression analysis. From the correlation

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analysis, the findings showed that there was a moderate to low correlation between variables. This study has also revealed that only four dimensions of Lumpkin and Dess (1996) EO have influence on business performance: innovativeness, proactiveness, risk-taking and competitive aggressiveness while no correlation was found on autonomy in the context of technology-based SMEs in Malaysia.

Engelen et al (2014) explained entrepreneurial orientation (EO) in turbulent environments regarding the moderating role of absorptive capacity. The literature on EO has confirmed the positive relationship between CEO and firms’ performance and that this relationship is dependent on several contingencies. The present study connects the resource-based view and its dynamic capability extension to introduce absorptive capacity (ACAP) as a moderator of the relationship between EO and firm’s performance. This theoretically derived research model is empirically validated using survey data from 219 small and medium-sized enterprises in Germany. Their empirical findings are that ACAP strengthens the EO–performance relationship in turbulent markets. In addition, Germany is a suitable environment in which to examine the model because empirical research shows that EO is positively associated with former performance in the German context (e.g., Walter et al 2006). The results of the simple slope test support their regression results and confirm hypothesis H1, that EO is associated with firm performance when ACAP is high. This paper contributed to both EO and dynamic capabilities research. It outlined theoretically that ACAP, a dynamic capability, helps a firm deploy its EO in order to improve its performance, especially if the firm operates in a turbulent market. In so doing, the study shows that the choice of strategy and a firm’s capabilities should be consistent.

Galindo and Méndez (2014) investigated entrepreneurship, economic growth and innovation regarding feedback effects at work. This study aimed to analyze the relationships between entrepreneurship, innovation and economic
growth, and to show the feedback effects in these relationships. A Schumpeterian approach considering three equations linking GDP, innovation, and entrepreneurship facilitates this analysis. This paper presented empirical analysis of entrepreneurial activity in 13 developed countries. Panel data with fixed effects methodology for the period 2002 to 2007, provided the means to estimate the equations. The analysis showed that several factors have positive impacts on innovation and entrepreneurship, including monetary policy and social climate. Additionally, a feedback effect is at work: economic activity promotes entrepreneurship and innovation activities, and the latter enhances economic activity. Therefore, policymakers must consider this effect when designing economic policies. This paper also aimed to analyze the factors that promote knowledge diffusion as a component of the innovation process, and entrepreneurship activity as a key factor for introducing this knowledge into the production process, using a Schumpeterian approach to carry out the analysis.

Glavas and Mathews (2014) surveyed how international entrepreneurship characteristics influence internet capabilities for the international business processes of the firm. This research explored the relationship between international entrepreneurship characteristics and the use of internet capabilities for the international business processes of the firm. It has been suggested that firm’s internet capability can assist international operations, especially when operating in fast changing dynamic environments. However, international entrepreneurship characteristics which are seen as a precursor to leveraging internet capabilities are still vague. Given this finding, eight case studies of small and medium sized travel and tourism firms were selected to investigate the influence of international entrepreneurship characteristics and internet capabilities on international business processes. Based on the eight in-depth case studies, the results signify that successful international entrepreneurial firms which encompass high levels of
international innovativeness and pro-activeness behavior integrate internet capabilities to a greater degree. Their findings also indicated that the prior international business experience, international risk-taking propensity and international networking characteristics are not necessarily precursors to successful integration of internet capabilities for international business processes.

**Huarng and Ribeiro-Soriano (2014)** investigated the developmental management regarding theories, methods, and applications in entrepreneurship, innovation, and sense-making. The Journal of Business Research has published a special issue entitled “Developmental management: Theories, Methods, and Applications in Entrepreneurship, Innovation, and Sense Making”. Theories, methods, and applications are the three pillars to solve the issues in entrepreneurship, innovation, and sense-making. Entrepreneurship contributes to the quality and future hopes of a sector, economy or even a country. The role of the entrepreneurs is crucial in creating value. Innovation has become important as the global economy seeks to escape from major recession. In organizations, sense-making consists of cognitive strategies for interpret reality. It is interesting to examine how these three issues interacting with each other. These papers contribute to various perspectives of these interactions in different countries.

**Ihugba et al (2014)** investigated entrepreneurship challenges and prospects in Nigeria. The success of generating income for majority of rural and urban dwellers with no formal paid employment highly depends on Entrepreneurship. They are the backbone of economic development all over the world and play an important role in employment, income and societal changes, particularly in transition economies like Nigeria. This paper was concerned with the nature and the extent to which entrepreneurship in Nigeria has been developed so far, and outlines the initiative by government and also the main current and future challenges and perspectives for the development of entrepreneurship.
The study revealed that such initiatives by government failed abysmally due to over-bearing bureaucracies, corruption, inadequate and inefficient infrastructural facilities and maladministration. The paper concludes that entrepreneurship miracle is engines for job creation; innovation and diversity and Nigeria’s entrepreneurs have a long way to go before they can effectively drive changes in the economy and recommends that Government (policy makers) should genuine recognize the essence of entrepreneurship to economic development.

In conclusion, this paper attempted to unfold various issues that cluster and affect the development entrepreneurship in Nigeria. Attempts have also been made on the challenges of sustaining and creating conducive environment for Entrepreneurs to grow and prosper. So far, explicated evidence and arguments that highlight that Nigeria’s entrepreneurs have a long way to go before they can effectively drive changes in the economy. The entrepreneurship miracle in other countries is an engine for job creation; innovation and diversity. The role of entrepreneurship in global business of developing countries like India is so significant. That Government (policy makers) should genuine recognizes the essence of entrepreneurship to economic development. Government should increase its funding of financial institutions that provide on entrepreneurs.

Khoshnodifar et al (2014) investigated the effect of communication channels on the success rate of entrepreneurial SMEs in the agricultural sector. This research aimed to study the effect of communication channels on the economic success of entrepreneurship in small and medium enterprises in the agricultural sector. It was an applied research in which the descriptive-survey method was used. The research sample included 356 founders of entrepreneur small and medium enterprises (at the time of conducting the research) in the Markazi province, Iran. Among 100 founders were selected according to the Cochran formulation using the stratified random sampling method. The results indicated that the information...
seeking facilities of most of the entrepreneurs were seen at a good level (53 persons, 53%) and acquiring information from other businesses and consulting contacts with the neighbors and relatives, product sellers and promoting factors were listed as the highest priorities of the respondents, respectively. Also, there was a meaningful relationship between rate of using information and communication resources with the variables namely age, duration of operation on the job, number of people operating the business and the number using loans.

Swarnalatha and Tharani (2014) surveyed the environment of MSMEs in rapid emerging economy in regard to the case of India. The Micro, Small and Medium sized Enterprise (MSMEs) Sector continue to be a vibrant sector of the Indian economy. This sector contributes nearly 45 percent of the total industrial production and accounts for approximately 40 percent of the total exports. This sector has been consistently showing a higher growth rate than the large industries. There are over 6000 products ranging from traditional to high-tech items, which are being manufactured by the small enterprises in India. After agriculture, this sector provides the highest opportunities for both self-employment and wage employment in India. The small enterprises sector in India holds a great potential for further expansion and growth. This paper explained that MSMEs have been accorded high priority due to the vital role they play in employment generation, equitable distribution of national income, improvement in entrepreneurial skills and contribution to export earnings. The study also examined the problems faced by MSMEs. The study concluded that this dynamic sector is now facing a number of problems which make them sick. Based on the results, a number of recommendations have been provided at the end to promote the growth of this sector.

Toma et al (2014) studied economic development and entrepreneurship. Several dynamic forces, such as technological disruption, fluctuating economies or
demographical changes, have brought new opportunities and threats for organizations, and transformed societies from all over the world. In order to cope with these shifting forces, governments, public and private organizations, and the public are more and more aware of the importance of entrepreneurship. Entrepreneurship is a multifaceted phenomenon, being analyzed as a process, a resource or a state-of-being. According to the Schumpeterian view, the entrepreneurial process constitutes one of the key factors in the economic development of a country/region. However, researchers have expressed different views about the relationship between the stages of economic development and entrepreneurship during the time.

The aims of this paper were to examine in brief the concepts of economic development and entrepreneurship, and to emphasize the role of entrepreneurship in economic development. Their paper provided a theoretical model that highlighted some of the main factors which involved in the relationship between entrepreneurship and economic development. More than ever in the history, economic development and entrepreneurship have become strongly interconnected. The focus of scientific research on the topic of economic development and entrepreneurship has evolved during the time. Both concepts have proved to be important subjects of study for scholars all over the world. Moreover, the relationship between economic development and entrepreneurship has gained a growing interest in explaining today entrepreneurship is widely recognized both by academics and practitioners as a fundamental factor of economic development throughout the world. However, entrepreneurship may influence economic development positively as well as negatively.

Abreua and Grinevich (2013) investigated the nature of academic entrepreneurship in the UK. Widening the focus on entrepreneurial activities, they argued that the current focus of the academic entrepreneurship literature, which is
mostly on patent-based activities such as spinouts and licensing, should be widened to also include other informal commercial and non-commercial activities that are entrepreneurial in nature. They defined entrepreneurial as any activity that occurs beyond the traditional academic roles of teaching and/or research, is innovative, and carries an element of risk, and leads to financial rewards for the individual academic or his/her institution. Their findings have implications for the practice of academic entrepreneurship, and for the effectiveness of university efforts to promote entrepreneurial activities via the formal system and through TTOS (Tactical Tracking Operations School). Their analysis was based on a recently completed survey of UK academics, providing micro-data on over 22,000 academics in the sciences, social sciences, arts and humanities. The data were complemented using institution-level information on financial and logistical support for entrepreneurial activities.

Adeyemo and Ogunleye (2013) studied technological innovation dealing with an imperative tool for entrepreneurship development in Nigeria. Sustainable economic development does not occur without entrepreneurship and entrepreneurship is the practice of starting new organizations or revitalizing mature organizations. This study therefore was done to analyze the impact of innovation and technology on the entrepreneurial development activities in Nigeria. Simple random sampling technique was used to select a total of 12 entrepreneurs from Lagos State that constituted their sample size. Regression analysis was used to analyze the data. The results showed that there was significant relationship between technological innovation and entrepreneurship development in Nigeria. It was therefore recommended that government should create a friendly or an enabling environment for entrepreneurship to boost the Nigeria economy. Therefore, the results show that there are some policy implications from this study. There is urgent
need for enterprise-oriented technology transfer units to link the science and technology system with the production system.

Craig et al (2013) examined the relationships among family influence, family culture, flexible planning systems, innovativeness and firm performance. The purpose of this article was to draw on the resource-based view of the firm and the upper echelon theoretical perspective to position family influence, family business culture and flexible planning systems as drivers of firm’s innovativeness, and subsequently firm’s performance. They established these relationships using SEM statistical techniques to analyze responses of small- to medium-sized family businesses using established survey instruments. They found evidence that family influence positively influences family culture, that family culture improves the ability of families to be strategically flexible and that this flexibility positively impacts firm’s innovativeness, subsequently benefitting firm’s performance. Descriptive statistics and correlation matrix of the constructs were presented. Likewise, a significant correlation among the hypothesis variables indicate of that further analysis was warranted.

Godwin and Abaho (2013) studied export entrepreneurial orientation and export performance of SMEs in Uganda. Internationalization of business operations has become a crucial element of the enterprise based economies. This is because of the increasing need for global economies to improve on their balance of payments and trade. Although this is the most desired economic situation, less is yielded from the SME sector in terms of export performance in Uganda. This study therefore was set to explore the conceptual feasibility of examining the relationship between Export entrepreneurial orientation (EEO) as dimension listed under innovativeness, pro-activeness, risk orientation and export performance. 195 SMEs in Uganda were surveyed the findings revealed that SMEs in Uganda have significantly high levels of export entrepreneurial orientation and that EEO dimensions are significant
predictors of export performance. Therefore, SMEs should be encouraged to always recruit entrepreneurial staff, open up for foreign partnerships and create international operations departments in order to streamline their export operations whilst committing resources towards the reinforcing of export performance. The results indicated that the majority of the firms (89%) had been in existence for more than 5 years. These were followed by those which had spent between 3-years and 5 years in existence. Majority of the firms (about 85%) are in manufacturing, followed by those in services (10%) and a minority in trading (8%). Majority of the firms (88%) agreed that they had partnerships in foreign markets while only 6% of the firms had no partnerships in foreign markets. Majority of the firms (91%) are locally owned while the rest (9%) are foreign owned.

Gujrati (2013) studied the role of SME’s in the economic development. The aim of the paper was to develop and scrutinize the contributions of entrepreneurship in the economic development through SME. In the face of economic challenges, small businesses are developing new ideas, employing additional workers, and producing innovative products and services. The author chose to give definition of small business and entrepreneurship, to draw the most important differences between the small and big businesses He also analysed about the positive influence of small business and entrepreneurship in the economy. In both developing and developed countries, entrepreneurship is seen as a driving force of economic growth, job creation, social amendment and innovation. This paper set out to appraise the role that entrepreneurs and small businesses play in economic development. How important are entrepreneurs and small businesses in creating jobs. Are these the types of jobs that should be encouraged? How important are entrepreneurs and small businesses in the development of new products and new markets? Does promoting entrepreneurship and small businesses make sense as an economic development strategy? The paper attempts to find answers to this question.
Falkinger and Grossmann (2013) attempted to develop a theory which comprises entrepreneurship, oligarchic land ownership and economic development. The authors developed a theory in which they claimed that oligarchic ownership of land and other natural resources can hinder entrepreneurship in manufacturing sectors which in turn can lead to retarded economic development and structural change. They proved that because of the owners’ oligopoly power in the agricultural labour market, higher ownership concentration causes entrepreneurial investments by credit-constrained households and landless people whose investment possibilities only rely on the income coming from the primary sectors. They provided historical evidence from India, Latin America, South Korea and Taiwan to support their theory.

Kabiri and Mokshapathy (2013) studied the entrepreneurial orientations and export performance in SMEs as a case study of fruits and vegetables in Iran. This quantitative study has been conducted SME enterprises in fruits and vegetables in Tehran Province, Iran. Tehran province has been selected for the research because; more than 27 % of the SMEs are either located or active in this province. The researchers aimed to compare entrepreneurial orientations in exporter and non-exporter SMEs and also to study the role of entrepreneurial orientation in exports. They employed a structured questionnaire which was administered to 76 SME managers (44 exporters and 32 non-exporters). The results of their study indicated that in exporter and non-exporter SMEs, all the dimensions of entrepreneurial orientations are correlated and among all the dimensions of entrepreneurial orientations, namely pro-activeness, autonomy, and competitive aggressiveness have shown a significant difference between exporter and non-exporter SMEs. Their findings also supported a positive effect of entrepreneurial orientations on export performance. Moreover, the regression coefficient confirmed that competitive
aggressiveness, risk-taking, autonomy, and pro-activeness were among the predictors of export performance.

**Mayer-Haug et al (2013)** investigated entrepreneurship talent and venture performance. A meta-analytic research of SMEs shows that as a broad connection between small and medium-sized firm activities and policy goals, namely employment or economic growth has become generally accepted. This study showed that entrepreneurial talent variables may cause meaningful differences in venture performance and it also validated the existence of heterogeneity across performance measures. Seeking to attain particular economic goals such as survival or growth of ventures, revenue or employment is of great importance for institutions and policy makers. By using meta-analysis, they attempted to find out the existing connections between different performance outcomes and aspects of entrepreneurial talent. They found an unexpectedly weak connection between education and performance. Moreover, they discovered that sales outcomes, scale (number of employees), and growth are significantly related to planning skills while profit and other financial measures are linked with network among the firm founders.

**Popescu (2013)** studied the evolution of entrepreneurship activity indicators’ in Romania and Hungary. The author aimed to show how the economic condition influenced the evolution of entrepreneurship activity in these two countries in the last few years with a focus on the post-crisis period. Popescu used the data yielded by the Adult Population Survey database from Global Entrepreneurship Monitor (GEM) for the time period 2007-2012. The author compared the major indicators of GEM in these two neighboring countries of Romania and Hungary. The findings indicate a higher entrepreneurial intention in Romania from 2011-2012 but situated under values compared with Hungary in 2009 and 2010.
Subbarao and Jyoth (2013) studied problems, procedures and practices in implementing corporate governance in Indian SMEs. One of the significant characteristics of a prosperous economy is booming and bloom small and medium enterprises (SMEs) sector, in India, SMEs account for almost 45% of industrial and 40% of India’s total exports. However, the real picture leaves many challenges faced by Indian SMEs. Corporate governance, as viewed is a mechanism to mobilize and combine resources and competence and inculcates a sense of responsibility among the management, it can possibly have greater role to play in responding to the challenges and would seek better results in the long run. This research paper depicts the various problems faced by SMEs in the chosen sample districts. The extent to which corporate governance is being implemented and the views of various SME entrepreneurs about governance is presented. Indian SME entrepreneurs are very enthusiastic, challenging and ready to cope up with any changes in the market. The best example could be that, 95% of SMEs in India have successfully defended the global economic crisis without losing their market share. SMEs sector is the backbone of Indian economy in the way of exports, employment, and conclusion: Corporate governance allows SMEs to prepare for their future expansion and sustainable growth. The implementation of corporate governance might open up a sea of challenges for the SMEs. By implementing corporate governance practices in Indian SMEs in an effective manner, they can easily become future MNCs.

Thakur and Hale (2013) made a comparative study of U.S and Indian service firm’s stand found that major contributions have been made by the service sector in creating wealth, but that the sector's substantive role in generating and using innovation is lacking meticulous examination. Academics, managers, and policy makers lack insights into outcomes of service innovation and identifying factors influencing why some innovations succeed and others fail. This study contributes to understanding service management by: (1) developing a comparative
theoretical model based on the Strategic Innovation Paradigm, Bain's Social- Conduct- Performance (S-C-P) Paradigm and Social Capital Theory of Innovation; (2) testing the model with Partial Least Squares (PLS) using managerial data from various service industries; and (3) comparing results across a developed economy (U.S.) and an emerging economy (India). Results indicated similar managerial perceptions of service innovation success and impeding factors. U.S. managers indicate that factors beyond their control have a negative impact on service innovation, while these factors are not a significant predictor of innovation in the Indian sample. Findings further indicated that service innovation positively relates to the firms' nonfinancial and financial performance. This study seeks to understand and compare managerial perceptions about the enablers and barriers of service innovation within and between the U.S. and Indian economies, focusing on managerial perceptions across a variety of service industries.

Zali and Rezagholizadeh (2013) investigated the impact of entrepreneurship on economic growth in Asian countries using the evidence from Global Entrepreneurship Monitor (GEM) based data 2008-2012. This study aimed to explain the impact of three key components of entrepreneurship on economic growth in 11 Asian countries that are GEM members. In the conceptual framework of GEM, the 3A model of entrepreneurship includes entrepreneurial attitude, activities and aspirations. Entrepreneurial orientation is related to the entrepreneurial intention and includes perceived opportunities and capabilities, no fear of failure and the status of entrepreneurship. Entrepreneurial activity is divided into four different parts for the purpose of study: (a) Necessity-driven entrepreneurship, (b) Opportunity-driven entrepreneurship, (c) Total-early-stage entrepreneurial activity (TEA), and (d) Established entrepreneurial activity. Factors that contribute to increased entrepreneurial aspirations include: (a) internationally oriented early-stage entrepreneurial activity and (b) new product early-stage entrepreneurial activity. In
this study, they used an econometric model using panel data from these countries using the GEM cross-national data for the years 2008 - 2012 to look even further into these key indicators and how they affect economic growth in the countries they looked into. The result illustrated that among the entrepreneurship variables, aspiration has more effect on economic growth so that governments, with the support of these variable parameters (internationally orientation early-stage entrepreneurial activity and new product early-stage entrepreneurial activity), can increase their country's economic growth. The results from regression analysis confirm that entrepreneurship has a significant impact on economic growth as has been generally established.

Abdul-Mohsin et al (2012) According to this study related, entrepreneurial orientation and market orientation among SMEs in Malaysia. SMEs were an important part of creating the "wealth of nations" and for employment. Approximately 99.2% of the total established businesses in Malaysia are SMEs and their total employment share is 59.5%. The Malaysian government is confident that the economic transformation will boost the SMEs to become the driving force in building the economy. In view of this, the primary aim of this research was to delve into the predictor that encourages the practice of market orientation from the perspective of entrepreneurial attitude orientation of the Malaysian entrepreneurs. This research contributed to a body of knowledge on market orientation by having a better understanding of the specific factors which are crucial for SMEs to assist in the nations.

Amorós, Fernández, and Tapia (2012) attempted to quantify the relationship between entrepreneurship and the stages of competitiveness development in Latin America. The authors employed discriminate analysis to determine different countries’ competitiveness subgroups and tried to prove that each country’s entrepreneurship rates have their own weight in different stages of
competitiveness. Their results showed that Latin American countries are required to attain entrepreneurship dynamics and economic development through changing their classic self-employment or low value added new ventures for local markets into powerful, innovative network-based firms competing globally.

**Boso et al (2012)** studied the impact of entrepreneurial and market orientations on new product export success at different levels of financial capital and competitive intensity. They observed that the literature support the necessity of market-based resources, namely entrepreneurial and market orientations for securing business success. They added that in certain fields of export research, limited information is available about the interactive impact of entrepreneurial and market orientations on new product export performance. In the same vein, their study investigated the joint effects of these two resources on the new product’s export performance at different levels of financial capital and competitive intensity. Surveying 212 British exporters, they found that for new product’s export of success it is an appropriate strategy to seek complementary effect between market-oriented and entrepreneurship-oriented behaviors particularly when the level of competitive intensity in the export market environment is high and also when the export unit has greater access to financial capital.

**Camísóna and Monfort-Mirb (2012)** attempted to measure innovation in tourism from the Schumpeterian and the dynamic-capabilities perspectives. The study addresses two central issues: how existing secondary databases of innovative activity define the boundaries of the tourism industry, and the degree to which these databases reflect the particular characteristics of this economic activity. It is concluded that these analyses present serious biases and anomalies hindering the understanding of the situation at the micro level and complicating the issue of international comparability, and the analyses do not capture the internal heterogeneity of innovative behavior of tourism companies from specific, intra-
sartorial activities. The study concluded by detailing a set of proposals that should be considered in the context of a scoreboard to provide a comprehensive view of a tourism firm’s technological and organizational innovations, as well as its innovative capabilities, combining Schumpeterian theory and the dynamic-capabilities-based approach, and also making cross-national comparisons feasible. The results of the study support the conclusions that the tourism industry demonstrates differentiated innovative behavior within the services sector. Conclusions further indicated that tourism companies are less technically innovative than manufacturing and other services companies, and that they perform mainly incremental innovations.

Dimitratos et al (2012) investigated international entrepreneurial culture-toward (IEC) a comprehensive opportunity-based operationalization of international entrepreneurship. Despite the abundance of international entrepreneurship studies, there is a need to develop valid measures of the international entrepreneurship construct. Their proposed six-dimensional operationalization of IEC (international electronic commission), which sufficiently matches the initial conceptualization, consists of international entrepreneurial orientation; international market orientation; international motivation; international learning orientation; international networking orientation with competitors; and international networking orientation with non-competitors. The main implication from this study was that international entrepreneurship scholars can use in future research these six dimensions of the encompassing IEC context rather than a confined international entrepreneurship construct. Therefore, it was important to obtain a diverse random sample with analyzable subgroups. The primary sampling frame consisted of internationalized firms located in two industrialized countries, namely UK and USA. There are significant implications for research and management resulting from the suggested IEC operationalization. As far as research is concerned, the contribution of this
study is the development and validation of a new opportunity-based instrument to measure international entrepreneurship.

**Dragan and Isaic-Maniu (2012)** investigated the impact of supporting new enterprises by the government on the national production with reference to GDP. Using some comparable data sets, the authors included an econometric model for the new enterprises to find out the possible effect of government support on the dynamics of national production as measured by GDP. They claimed that their findings may provide support for governmental strategies dealing with private economic initiative and private sector development. It is beneficial to know that 70% of the national production is produced by the private sector in Romania which is still at a low value compared with the developed countries. The economic crisis has greatly affected the entrepreneurship sector with consequences including: 1) a decrease in the rate of new business founding and 2) an increase in the rate of business liquidation. This phenomenon was quite asynchronous with that of the developed European Union Countries, but common in the former planned economies with the dominance of state property.

**Garg and Walia (2012)** investigated micro, small, and medium enterprises (MSMEs) in post-reform India. The micro, small, and medium enterprises have also been termed as the ‘engines of growth’ in all developing economies including India. MSMEs play an important role in India’s overall economic development in which millions of people are unemployed or at least underemployed and people are facing poverty. In their study, the authors attempted to assess the role and growth of MSMEs sector in post-reform India. Their study confirmed a significant growth in MSMEs over a period of time and highlighted that this sector is the main contributor to gross domestic product (GDP), exports, and employment in Indian economy. The authors’ investigation was based on the secondary data collected from different Annual Reports on MSMEs and Handbook of Statistics on the Indian Economy.
published by Ministry of MSMEs and Reserve Bank of India (RBI) for the time period 2001-02 to 2010-11. They claimed that MSMEs have emerged as the vibrant and dynamic component of the economy. The authors added that to be economically viable, MSMEs sector is required to improve its quality and productivity, reduce costs, and be innovative. Government policy should be supportive to the MSMEs to enhance their efficiency and competitiveness in a market-driven economy.

Gündoğdu (2012) studied entrepreneurship and innovation concepts among different perspectives and also discussed the issues and challenges in the concepts of entrepreneurship emerging from the extensive investigations on business managements and organizations. In the past three decades, entrepreneurial activities have been improving through creating and applying good ideas which cover business and management practice. The approach taken in the study generally construes entrepreneurship as the main concept regarding entrepreneurial thought; entrepreneurship as its sub-concept. Small and Medium Sized Enterprises (SMEs), are the potential stars of this new economic model. The catalytic advance in the information and communication technologies in the last few decades and the new globalized world economy as a result, caused the enterprises compulsorily to get much closer to the customers, respond more quickly to their needs, and dynamically adapt to internal and external environmental circumstances.

Hani and et al (2012) investigated patterns of Indonesian women entrepreneurship. These days, women entrepreneurship is growing rapidly in SMEs as gender differences are not a barrier any longer to take part in business and become entrepreneurs. They aimed to discover the entrepreneurship patterns and society economic challenges which women business owners are facing in Indonesia. The authors investigated 102 Indonesian and found that entrepreneurship by Indonesian women can be broken up into four clusters with different characteristics. The data revealed that majority of women entrepreneurs (mostly running business in
fashion and food sector) are located in Java Island which is a trade center and a densely populated region in Indonesia. The authors concluded that Indonesian women entrepreneurs have great independent financial management ability in running their business.

**Herman (2012)** investigated the impact of SMEs on employment in Romanian non-financial business sector for the time period 2000-2010. The author made a comparison between SMEs and large companies to find out their rate of job creation and labour productivity. The empirical results from this research several that although SMEs are a source of income and employment, compared to the large companies, their labour productivity is dramatically less. So, the study suggests that Romania needs to add competitive and innovative power to SMEs to be able to function both as the engine for creating more jobs and also better ones. Between 2000 and 2010, Romania attained significant transformations in the process of integration and accession in the European Union reflecting at the macroeconomic level and the level of SME sector. Romania had a significant rate of economic growth until 2008. The average growth rate of real GDP of 5.84% was above the EU-27 average of 2.24%. In 2009, due to the global economic crisis and a complex of internal factors in Romania, real GDP fell by 6.6%, and this fall also continued to occur in 2010, however it was of a lower intensity of 1.6%. Economic transition is still continuing in Romania.

**Li et al (2012)** investigated the entrepreneurship impact on economic growth using data for a set of 29 provinces in China for a 20-year period. To discover the effect of entrepreneurship on economic growth, they employed the ratio of staff and workers owning enterprises and per capita land area sown as the instrumental variables. Their results indicated that entrepreneurship has a significant positive impact on economic growth. Their study provided evidence which can be employed as a basis to evaluate the impact of China's policy on private business which has
been progressively relaxed since the late 1970s. They used secondary data for the study. The data showed that China’s provinces have kept a very high growth rate during the sample period. The average annual growth rate of the real per capita GDP was approximately 8 percent. In their study, the entrepreneurship measure for the self-employment ratio was 4.8 percent (with a standard deviation of 1.8 percent) and the private employment ratio was 6.9 percent (with a standard deviation of 6 percent) on the average. The data also indicated a substantial variation in other variables.

Javalgi and et al (2012) explained that through internet-enabled SMEs, the Indian entrepreneurs are able to engage in entrepreneurial activities and innovations using modern business models to attain scale and scope while beginning to compete in a global marketplace. It is important not only from the research point of view, but also from the practitioner’s perspective to realize how Indian entrepreneurs are fruitfully expanding their business. In order to examine how companies adopted the incremental decision making methods suggested by Lindblom (1959) they selected three cases in India which are purely dot-com companies, namely Info Edge (an internet firm leading four areas), Make trip (the leading internet travel provider), and India (the leading supplier of products). These companies could create a sustainable competitive advantage and survive the dot-com bust by innovative management style of their entrepreneurs.

Jewel (2012) studied the role of SMEs in the Indian Economy and its contribution to the economic development of the country as a whole. It has been stated that million Rupees of investments in fixed assets in the small scale sector produces 4.62 million Rupees worth of goods or services with an estimated value addition of ten percentage points. The momentous impact of small and medium enterprises in the economic and social development of the country is well proved. MSME are an important sector and plays a critical role and has an important place in
the Indian economy, in terms of employment generation, exports and economic empowerment. As per the Census of MSMEs sector, this sector employs an estimated 59.7 million persons spread over 26.1 million enterprises. It accounts for about 45% of the manufacturing output and around 40% of the total export of the country which is next only to the agricultural sector. MSMEs will continue to play a very important and vital role in our economy where the twin problems of unemployment and poverty constitute a major developmental challenge. In fact, if India were to have a growth rate of 8-10 percent for the next couple of decades, it needs a strong micro, small and medium sector

Kumar and Gugloth (2012) investigated micro, small and medium enterprises in the 21st century. The article evaluated the presentation of SMEs, before and after liberalization contrasts them with average annual growth rates, and knows the impact of globalization on the performance of SMEs and the development of SMEs new opportunities for Employment in a country. The period of the study was 1999-2010 and based on secondary information. The SMEs form a leading part of Indian industry and causal to a momentous proportion of production, exports and employments. This study analyzed the collision of globalization on Indian SMEs. This article focused on the ongoing changes in the business environment and the analysis of their suggestion for SMEs. It further focused on the implication of globalization and domestic economic liberalization for MSMEs. The comparative analysis of growth pattern of key parameters between pre and post globalization period has been made. The overall performance and contribution of small scale industries to the Indian economy is generally described in terms of its absolute growth in units, employment, production and exports. The findings in this study indicated that the employment in MSMEs units increased from 249.33 lakh in 2001-02 to 695.38 lakh in 2009-10 with an increase in exports in the same period.
Ma et al (2012) surveyed the relationship between entrepreneurship (e.g., progressiveness, innovation, and risk-taking), market orientation and social performance of enterprises. The researchers statistically analyzed 107 effective responses using smart PLS 2.0 and SPSS 15.0. Their study indicated a positive impact of social entrepreneurship, progressiveness, and risk-taking on market orientation while for innovation this effect was not observed. The research also revealed that market orientation in social enterprises improved their social performance namely public performance and job creation.

Monsen et al (2012) investigated the entrepreneurship in India regarding the question of occupational transition. Occupational transition from salaried to self-employment status is vital in developed economies. However, it is even more critical in emerging economies, since individuals' occupational choices can drive economic development. The researchers used data on 3,295 individuals from 23 administrative regions in India in order to examine the impact of regional and geographic factors on actual and intended transition. They found that regional self-employment and unemployment rates were associated with a lower likelihood of past and future transitions, but the regional gross domestic product (GDP) per capita was merely related to actual transitions. They also stated that urban/rural location modulates the impacts of income ratios and regional GDP per capita.

Namusonge and Sikalieh (2012) made an attempt to present a comprehensive explanation for the concept of entrepreneurship by reviewing previous definitions. In pursuit of a universally acceptable definition, entrepreneurship is a common vocabulary to many people, a topic which occupies an important position in research agenda of scholars from a variety of backgrounds and disciplines. The innovations and high value products getting into the market each day are the results of entrepreneurial efforts, making entrepreneurship development a major strategy for sustainable socio-economic development. They
aimed to evolve a universal definition of entrepreneurship. Their study was a secondary one involving detailed analysis of published material regarding this subject matter. According to their findings, entrepreneurship acts as the heart of the modern business, as a force behind innovative businesses that characterize the modern economy and as a dynamic process of creating incremental asset by individuals who assume responsibilities. The authors also discovered that entrepreneurship has been used as a development strategy in many countries. Entrepreneurship has been a central catalyst for business and economic development. A great deal of attention has been paid to the entrepreneurship issue over the past few years, originating predominantly from the discoveries made by economic analysts that small firms contribute considerably to economic growth and vitality of industry.

**Neneh and Vanzyl (2012)** this study provide empirical evidence to endorse the theoretical framework for achieving long term small and medium enterprises survivorship. It is assumed that this study will act as a guide for business consultants and academics to gain a better understanding of the type of learning tools they need to adopt to take them through the learning process in order to ensure the long-term survival and sustainability of SMEs. The empirical findings obtained in this study indicate clearly the validity of the entrepreneurial roadmap framework adopted by this study. In order to achieve SMEs long term survival, entrepreneurs are expected to have the right mix of entrepreneurial competencies. Since most of the entrepreneurs in South Africa do not have all three entrepreneurial competencies identified in this study as being necessary for the long term survival of SMEs, it becomes imperative for these factors to be promoted as a means of nurturing SMEs survival.

**Nkurunziza (2012)** surveyed the entrepreneurship and income level in developing countries to analyze the relationship between income per capita and
entrepreneurship and to define the number of limited liability firms per 1000 active persons, registered in a country in one year. Using data on Africa and other regions, the paper revealed that the relationship between entrepreneurship and income per capita is U-shaped and identified an income threshold estimated at $7300 above which income per capita is associated with increasing entrepreneurship. This finding is interpreted in the light of Maslow's Hierarchy of Needs Theory. Ceteris paribus, at low levels of income per capita, entrepreneurs establish firms as a survival strategy as they do not have access to well-paid employment. As incomes increases to the $7300 threshold, the need to engage in need based entrepreneurship decreases survival. Paid employment brings higher risk-adjusted income than survival entrepreneurship. Beyond the threshold, high level of income per capita permits people who would otherwise be in paid employment to become creative, independent, and take more risk by choosing to engage in entrepreneurship. This analysis is relevant for policymaking in Africa and developing countries in general where countries are at different levels of income and require different policies in order to foster entrepreneurship and job creation.

**Olusegun (2012)** studied small and medium enterprises as an entrepreneurship. The author distinguishes between SMEs and entrepreneurship by emphasizing the similarities and differences between the two concepts. The author concludes that entrepreneurship differs from SMEs in that entrepreneurship is a process leading to the creation of SMEs and business ventures while SMEs only represent firms or businesses in small and medium sizes. Both SMEs and entrepreneurship have been proved to be critical tools for economic transformation and economic growth of a country.

**Piatkowski (2012)** investigated factors which are strengthening the competitive position of SMEs sector enterprises in Poland. The role of competition in the market orientation and enterprise activities of managers, contractors and
owners of companies is often emphasized as part of the concerned issue. Enterprises, the owners and managers are expected to act in an entrepreneurship-like way to obtain a competitive position. As a part of each market and sector based on the principle of competitiveness, a leader can be distinguished as a person who, by his dynamics, forces other participants to undertake actions aimed to achieve a better market position in the competitive race. The author aimed to identify the factors creating the competitive position and the development of enterprises as well as mutual relations between entrepreneurs and their business partners. In order to analyze the subject matter, the study use secondary statistical data as well as primary data from a random sample of 460 micro, small and medium enterprises. The research conducted by means of the E-Badania application revealed that the vast majority (95%) of the surveyed entities are located within three provinces of southern and south-eastern Poland.

Rajput et al (2012) examined relationship between exports, Forex reserves and MSMEs in India. To estimate this they employed Augmented Dickey Fuller Test and Philip Perron tests of stationary, Johenson’s cointegration approach, and Granger causality/Block Exogeneity Wald tests. The data span for the study was from 1992-93 to 2009-10. One of the kept findings was that there is a cointegration between exports and MSMEs confirming a long-term relationship and bidirectional causality using Granger causality and block exogeneity test. The relationship between exports, Forex and MSMEs was confirmed using Vector Auto regression and by Granger causality and VAR Granger causality/block exogeneity Wald tests showing bi-directional causal relationship among all variables. Therefore, this study recommended of the strategy to improve the manufacturing ability of the MSMEs sector to improve the competitiveness of their products thereby enhancing exports and fore reserves. The period of study was from 1992-93 to 2009-10. The time series stationary of sample price series has been tested using Augmented Dickey Fuller
(ADF). The data clearly exhibited the rising trend of establishment of MSMEs in India.

**Stefanescu and Angela (2012)** investigated entrepreneurship and sustainable developing in European countries before and during the international crisis. They analyzed the correlations between the indicators of the entrepreneurial activities and sustainable development indicators in European countries before and during the international crisis while considering the fact that entrepreneurship and sustainable development are considered as the two of the most important keys to assure the social-economic development. The research results were based on data collected from Euro Stat and Global Entrepreneurship Monitor data bases. In order to obtain new variables regarding the correlations between entrepreneurship and sustainable development, they employed Principal Components Analysis (PCA) using SPSS software package. The results indicated how the indicators of both entrepreneurship and sustainable development are combining with each other.

**Stella (2012)** examined the organizational learning, innovation and small and medium enterprise (SMEs) performance in Uganda. The study sought to establish the relationship between organizational learning, innovation and firm performance of SMEs in Nakawa division, Kampala district of Uganda. A cross sectional survey design with a population of 526 respondents from which a sample of 217 was drawn. Measurement of the relationships of the study were done and subjected to rigorous data processing and analysis using the relevant statistical computer software packages. Findings indicated that there were positive and significant relationships between organizational learning, innovation and firms’ performance. Results from regression analysis revealed that organizational learning, innovation and firms’ performance with innovation as the stranger predictor of firms’ performance. In conclusion, the findings revealed that all the independent variables were significant predictors of firm performance which conformation that organizational learning and
innovation were paramount in improving firm performance in SMEs. The study recommended that other factors which were not part of the model be used to study firms’ performance.

**Syed et al (2012)** studied the impact of SMEs on employment in the textile industry of Pakistan. Data were collected from 100 respondents of 30 organizations by using simple random technique. The findings revealed that SMEs are the major source of foreign exchange earnings. SMEs have a major contribution in Pakistan’s GDP. SMEs in general consider employees as their most important resources. They are pioneers in developing new products and services. SMEs are in general very quality minded in the products and services they provide. As a result, there has been steady decrease in the share of primary commodities and semi-manufactures. On the contrary, the share of manufactured exports increased considered over the years.

**Zsuzsanna and Hermana (2012)** studied the emerging markets queries in finance and business innovative entrepreneurship for economic development in the EU (European Union). It is widely acknowledged that entrepreneurship contributes to the positive growth of different economic indicators. The impact on the growth of innovative SMEs is significant as the official data show. Consequently, innovative entrepreneurship started to be considered as a key factor of modern economic development, in about 2012. This study intended to analyze the relation between entrepreneurship, innovative entrepreneurship and economic development of member countries in the EU. For the statistical data processing, they used the SPSS software package. The study found a statistically significant relationship between entrepreneurship and economic development.

**Ahimbisibwe (2011)** investigated the impact of export market orientation and innovation on the performance of fruit exporting firms in Uganda. A qualitative cross sectional research design was adopted for the study. A field study using simple
random was used on a sample size of 56 firms targeting at least 3 top executives from each firm exporting fruits. Correlation analysis was done to determine the relationship between the study variables and regression analysis was conducted to determine the predictive potential of the independent variables on the dependent variable. The findings of the study revealed that firms that adopt export market orientated behaviors and innovate by introducing new products, processes and venture into new markets perform to better their export endeavors. However, it was observed that firm’s innovation was more powerful in explaining its export performance than export market orientation. It was therefore recommended that fruit exporting firms in Uganda should particularly concentrate their efforts on process innovation and market innovation to enhance their export performance.

**Aliza, Stephen, and Bambang (2011)** examined the relationships between EO (Entrepreneurship orientation), market orientation, innovativeness and firm’s performance. They represented an attempt to do so from the Malaysian perspectives. Responses rated of data from 398 SMEs in Malaysia were analyzed. The findings showed that the EO and innovativeness exert a positive effect on firm’s business performance while market orientation exhibits a negative effect on firm performance. The external environmental factors were found to have a moderating effect on the relationship between market orientation and firm’s performance.

**AminulIslam et al (2011)** surveyed the effect of entrepreneurship and firm’s characteristics on the business success of SMEs in Bangladesh. They examined the effect of characteristics of entrepreneur and those of the firm on the business success of SMEs in Bangladesh. Their study was based on a survey methodology through a questionnaire administered on the owners and employees of small firms. The characteristics of entrepreneur were found to be a significant factor for business success of SMEs in Bangladesh. However, the firm’s characteristics were not found to be a significant factor on the business success of SMEs. The results of the
analysis also showed that only one of the demographic factors namely the life of the organization operated had significant effect on business success of SMEs. Older SMEs have been more successful in comparison with the younger ones. In addition to this, independent sample t-test showed that gender plays a significant role in the business success of SMEs in Bangladesh.

**Arogundade (2011)** studied entrepreneurship education regarding as an imperative for sustainable development in Nigeria. This paper stresses the importance of entrepreneurship education towards enhancing sustainable development in Nigeria. This study argued that entrepreneurship education will equip the students with the skills with which they can become self-reliant. The study also recommended that educational programs at all levels of education should be made relevant to provide the youth the needed entrepreneurial skills. Evidently, Nigeria is lagging behind in preparing her workforce for the challenges of the rapidly changing global economy. It concluded that improved and sustainable global economic development depends on a strong entrepreneurship education.

**Askun and Yıldırım (2011)** investigated entrepreneurship education in public Universities in Turkey. Entrepreneurship acts as a remedy for unemployment and growth problems that are caused by the recent global economic crisis are the major issues in the political agenda of all countries today. Entrepreneurship education gains importance for building entrepreneurship-driven economy by making individuals acquire entrepreneurial skills, knowledge and mindsets. As a significant part of the formal education in creating entrepreneurs, entrepreneurship courses in higher education need to be focused. With this aim, they searched and analyzed Websites of 360 academic units including business administration and engineering faculties, science and technology, social sciences institutes of 95 public universities in Turkey. Research findings showed that entrepreneurship courses in public universities in Turkey are not sufficient to provide skills or mindsets that are
required for creating entrepreneurs that can contribute to economic growth and employment for students.

Ekinsmyth (2011) studied the challenging boundaries of entrepreneurship regarding the spatiality’s and practices of UK ‘Mumpreneurs. The author is focus was upon a sub-culture of entrepreneurship that is increasingly becoming known as ‘Mumpreneurship’. This paper examined the spatiality’s and practices of an illustrative sample of UK mumpreneurs, a subgroup of female entrepreneurs who operated at the interface between paid work and motherhood, who are increasing numerically, and who are carving out for themselves a sub-culture of entrepreneurship. They have great policy-importance, not least because the UK government has recognized mothers as a group who need to be encouraged into business ownership. Employing mixed methods with emphasis on qualitative approaches, the research findings suggest that policy makers need to understand better some key aspects of this entrepreneurial activity before their interventions can be effective. The research project involved methodological triangulation using mixed methods and approaches (Seale, 1999). The greater part of the insights presented in this paper arose from thirty in-depth interviews, but questionnaire data and analysis of other sources and activities complemented these.

Ekpe (2011) investigated the relationship between micro-finance related factors (credit, savings, training and social capital) offered by micro-finance institutions and women entrepreneurs’ business performance with mediating influence of opportunity for entrepreneurial activity and the moderating influence of attitude towards micro-finance. The hypotheses were framed to reflect the component factors that resulted from the exploratory factor analysis. For example, loan access represented credit, skill acquisition represented training, bonding represented social capital, opportunity for business improvement represented opportunity for entrepreneurial activity, ability to expand business and self-
confidence in doing business represented attitude towards micro-finance, and women entrepreneurs’ sales performance represented women entrepreneurs’ business performance. Data from 161 respondents were finally used for the analysis. Descriptive statistics, multiple, linear and hierarchical regression analyses were used for data analysis and hypotheses testing.

The study found that there were significant positive relationships between: loan access, skill acquisition and bonding; and women entrepreneurs’ sales performance which met Research Objective. The study concluded that micro-finance factors are positively related to women entrepreneurs’ business performance as the models were collectively significant.

Nehete et al (2011) carried out an investigated entrepreneurial skill for better performance of manufacturing SMEs, with the spread of liberalization, privatization, and globalization. These SMEs are entrepreneur specific and the skills possessed by an entrepreneur are very important for performance of SMEs. Business, entrepreneurial and technical skills possessed by an entrepreneur are very important in this regard. Manufacturing SMEs operating in Mumbai and the suburban region contributes major revenue to the government of Maharashtra and so to the country as well. This study was carried out to collect the data from different SMEs (167 industries. Factor analysis technique was applied to find the underlying dimensions (factors) that exist in the 20 variables. The results show the extremely important factor for SMEs is the operations. The majority of SMEs considered 17 of the 20 skills categories to be very important. Computer literacy, creativity and communication are moderately important to the SMEs.

Varghese (2011) surveyed the small and medium enterprises in PGCCS (Persian Gulf Coast Computer Systems), regarding a comparison between sultanate of Oman and United Arab Emirates. Small and medium-sized enterprises are the
main drivers of job creation, growth and economic diversification (Persian Gulf Research Centre, 2009). They have local roots and provide local jobs, but can also exploit the opportunities from globalization. Despite the PGCC region is strong entrepreneurial traditions and the large size of the Persian Gulf SME sectors, they have not yet fully lived up to their potential of sustainable diversification and job creation. SMEs therefore deserve an adequate public policy to help them to get their ideas off the ground and grow, as well as tailor-made services provided by specialized support organizations. Chambers of Commerce in PGCC countries are at the core of SME development. This study tried to give an insight into the various programs and structures of SME’s in these two countries by addressing the existing definitions of SMEs in the Oman and the U.A.E through analyzing the available economic data on both countries’ Small and Medium Enterprises. This study has used the secondary data and relied on a descriptive methodology. Major Findings are that the sectorial structure of both countries SMEs is skewed towards simple contracting and trading operations, other sectors tend to be under-represented and micro enterprises in particular offer very little employment to both countries’ citizens. The existing SME support programs are diverse and often innovative, but also very fragmented and have not seen a systematic evaluation of their results. It can be concluded that because of more globalized UAE, its SME sector is little more advanced than Oman in many aspects.

Chirico and Sirmon (2010) studied entrepreneurial orientation and performance in family firms using the joint effect of generational involvement and participative strategy to better understand the EO/performance relationship in family firms. Based on 199 Swiss family firms, their results indicate that increased generational involvement, unless managed carefully, negatively moderates the EO/performance relationship. A participative strategy not only mitigates the negative effects of generational involvement, but also enables family firms to
effectively bundle and leverage the heterogeneous yet complementary knowledge and experiences of multigenerational family members to convert entrepreneurial opportunities into high-performance outcomes. Their theory suggested that realizing the benefits of EO in family firms is a complicated matter, jointly affected by generational involvement and participative strategy. They compared the respondents’ size, age, and industry with those of non-respondents (whose data were provided by Swiss Firms), and found no statistically significant differences.

**Clercq, Danis and Dakhli (2010)** relatively little empirical work has examined the association between institutional factors and new business development in emerging economies, although the importance of new business development for economic transition and growth is widely acknowledged. On the basis of data from two cross-national research projects the global entrepreneurship monitor and the world values survey Clercq, Danis and Dakhli (2012) found a positive relationship between a country’s associational activity and new business activity. This relationship is stronger for higher regulatory and normative institutional burdens and lower cognitive institutional burdens. Their sample consisted of 14 were low-income countries for which economic liberalization represents an important driver of economic growth. They included both developing and transition economies in their sample as both groups meet the aforementioned definition of emerging economies i.e., low-income countries undergoing increased economic liberalization and encouraging private enterprise development. They modified the panel data set into a single cross-section data for the sampled countries by averaging the data across years.

**Fairoz et al (2010)** investigated the degree of Entrepreneurial Orientation (EO) of twenty five manufacturing (SMEs) in Hambantota District of Sri Lanka (HDSL) and the effects of EO dimensions including pro-activeness, innovativeness, and risk-taking to business performance. Interviews were used as the main
instrument for data collection. Both qualitative and quantitative techniques were applied for data analysis. Findings showed about 52% of SMEs represented moderate level of EO. Pro-activeness, innovativeness, risk-taking and overall EO were significantly correlated with market share growth. Results further indicated that there were positive correlations among pro-activeness EO and business performance. The quantitative analysis showed that the degree of EO was moderate in the majority of SMEs. There was a significant relationship between pro-activeness, innovativeness, risk-taking and overall EO with market share growth. The results showed no significant relationship among innovativeness, pro-activeness, risk-taking and overall EO with sales growth, profit, employment growth and owner/manager’s satisfaction. This study also confirms that multidimensionality of EO and the independent effect of innovativeness, pro-activeness, and risk-taking which are distinctly correlated with business performance (Lumpkin and Dess, 1996; Yang, 2008; Lee and Lim, 2009). The findings further suggest that it may be better for SME owner / managers to improve entrepreneurial posture towards identifying business opportunities and adopt appropriate entrepreneurial strategies to enhance entrepreneurial orientation and business performance to challenge competition by other firms in Sri Lanka.

Fontenele, (2010) surveyed entrepreneurship, competitiveness and economic growth: Empirical evidence shows that despite the growing interest in research on development of entrepreneurship, the relationship between competitiveness and economic growth has been explored very little. This paper shows the relationship between entrepreneurship and competitiveness. The aim of this study is to analyze total entrepreneurial activity - TEA, measured by the GEM (Global Entrepreneurship Monitor), Monitor evaluating the variables that have significant relevance in explaining entrepreneurship. The data were collected in 64 countries for the year 2007. This paper considers two econometric models obtained by the least-
squares method. The results suggest that the relationship between entrepreneurship and levels of income follow the pattern of a U-shaped curve. Although several studies generally have demonstrated a positive relationship between factors of competitiveness and the development of entrepreneurship, the present study shows that the effects follow the opposite direction in developing countries. However, the empirical analysis confirms that factors of competitiveness have had a significant impact on development of entrepreneurship in more affluent economies.

Keskinand and Şentürk (2010) examined the importance of small and medium-sized enterprises in Turkey’s economy and SWOT,(Strengths, Weaknesses, Opportunities, Threats) analyses of the SMEs sector. Turkey and Albania aim to become a full member of the European Union and aim to strengthen mutual economic and political relations between them. So, Turkey and Albania SMEs have been selected as the research subject for this study. In both Turkish and Albanian economies, SMEs’ share in the total number of enterprises exceeds 90%, and SMEs play a very important role in creating employment and value added. In this regard, the (SMEs) make important contributions to the development of both economies.

Plehn-Dujowich and Li (2010) explained Schumpeterian endogenous growth framework to examine the relationship between entrepreneurship and growth. An agent decides between two occupations: an entrepreneur that invents new goods whose R&D productivity depends on his skill, or a production worker earning a competitive wage. In equilibrium, high (low) skill agents become entrepreneurs (production workers, respectively). An increase in entrepreneurship enhances growth because it leads to more innovative activity (labeled the entrepreneurship effect), but it dampens growth because it diminishes the number of individuals engaging in production, lowering the demand for new goods and thereby the payoff per innovation (labeled the production effect).
The entrepreneurship effect is subject to diminishing returns; thus, the more agents select the entrepreneurial occupation, the weaker is the entrepreneurship effect relative to the production effect. As a result, entrepreneurship and growth have an inverse relationship.

Ruvio et al (2010) studied entrepreneurial leadership vision in nonprofit vs. for-profit organizations. This paper explored the role that entrepreneurial leadership vision plays in the entrepreneurial process of nonprofit and for-profit ventures. The results indicated significant differences in the meaning of vision articulated for each type of venture. Differences between ventures were also found with regard to the relationship that vision has with the ventures' strategies and performance. In the nonprofit organizations vision was associated with a wide-range strategy as well as the ventures' performance and growth. In addition, wide-range strategy partially mediated the relationship between the ventures' vision and its performance and growth.

In business enterprises, vision directly predicted only a differentiation strategy, which also mediated the relationship between vision and the ventures' performance and growth. In contrast, a wide-range strategy in these organizations actually reduced growth. These findings contribute both to the literature on vision as well as to the literature on entrepreneurship. The results indicated that this element of entrepreneurial vision conveys a common element in entrepreneurial orientation innovativeness, risk-taking, and pro-activeness.

Wennekers et al (2010) investigated the relationship between entrepreneurship and economic development. A cross-sectional analysis showed a U-shaped relationship between start-up rates of enterprise and levels of economic development. They observed that the reemergence of independent entrepreneurship is based on at least two ‘revolutions’. If we distinguish between solo self-employed
at the lower end of the entrepreneurship spectrum, and ambitious and/or innovative entrepreneurs at the upper end, many advanced economies show a revival at both extremes. They considered three basic labour market categories: employers, solo self-employed and wage-earners. Due to fundamental push and pull factors in the labour market, the solo self-employed are the fastest growing category in post-industrial economies, and they make up a large share of the rise of independent entrepreneurship.

Wen Hu (2010) carried out a survey a small medium enterprises Based on data thirty-seven countries, covering the period from the 1960s to the 1990s. Their empirical results supported the hypothesis that small businesses are beneficial to economic prosperity. However, this study highlighted considerable diversity in terms of the patterns of the contribution, by the SME sector to overall economic growth. In the pursuit of economic growth, SMEs in the high-income economies can generally exploit entrepreneurship, whilst in the less-developed economies they may tend to drive the job-creation function.

Le et al (2009) examined the entrepreneurial role of the state and SME growth in Vietnam. The qualitative interview approach applied a conceptual framework of ‘enabling’ and ‘hindering’ factors to the relationship between the state and the market, and their impact on SME development. The findings indicated that where defective market factors and inadequate institutional support mechanisms are evident, it is vital that the state pursues an entrepreneurial role to facilitate the development of SMEs. Further, the social networks and private credit for the development of SMEs in the early stages of Vietnam’s journey towards a market economy still play a key role.

Moradi (2009) investigated entrepreneurship capital, output and growth in Iran's manufacturing industries. With the objective of examining the impact of
entrepreneurship on the performance of Iran's manufacturing industries using time series data over the period 1974-2006. More specifically, entrepreneurship capital measures were calculated in the production function of manufacturing industries using the Cobb-Douglas type function as a basis for analyzing growth determinants. To evaluate this, two alternative measures of entrepreneurship capital were considered. They comprised self-employments and enterprises that hire labour force. Co-integration analysis of time-series data was carried out to examine the factors affecting output and growth in manufacturing industries with an emphasis on entrepreneurship indicators.

To understand the current state of entrepreneurship and economic situation of the country, pertinent statistics related to entrepreneurship, output and growth were examined to find major stylized facts in the economy. The findings of this paper indicated that entrepreneurship capital is a significant and important factor shaping output and growth in Iran's manufacturing industries. The results confirmed that enterprises’ measure of entrepreneurship has positive and significant impacts on output in both the long run and short run. These results suggested a new direction for policy that focuses on instruments to enhance entrepreneurship capital.

Tonesakulrungruang (2009) investigated globalization entrepreneurial orientation and marketing strategy in Thai small and medium-sized enterprises. Globalization and the emergence of international small and medium-sized enterprises are key worldwide trends. The respondents were 449 SMEs in the various export-oriented manufacturing industries. It was found that globalization, entrepreneurial orientation, and marketing strategy, are significantly and positively related to firm’s performance. The results showed that aged and male SMEs decision makes are significantly and positively related to the adoption of entrepreneurial orientation. However, neither education level of the entrepreneurs nor the business experience is related to entrepreneurial orientation. Study factor
variables were: globalization, entrepreneurial orientation, marketing strategy, tactics, and firm performance. This research showed that the factors of globalization, entrepreneurial orientation, marketing strategy, and tactics are significantly related to firm performance. It concluded that good performance can occur if entrepreneur can utilize all the factors mentioned - globalization, entrepreneurial orientation, marketing strategy, and tactics, effectively. In other words, an entrepreneurial orientation may be intensely related to performance when it combines with the appropriate strategy and the proper environmental conditions. This study was limited to a few major industries and the limited sample size used in this research.

**Van Praag and Versloot (2008)** investigated the economic benefits and costs of entrepreneurship. Many studies on entrepreneurship emphasis that entrepreneurship has important economic value, for instance, in terms of productivity and growth, employment generation or, innovation. They examined to what extent recent empirical evidence can collectively and systemic substantiates the claim that entrepreneurs cause important economic benefits. They studied the contribution of entrepreneurs to the economy based on four measures that have most widely been studied empirically. They tried to answer the particular question: What is the contribution of entrepreneurs to (i) employment generation and dynamics, (ii) innovation, and (iii) productivity and growth, relative to the contributions of the entrepreneurs’ counterparts, i.e., the “control group?” what is the role of entrepreneurship in increasing individuals’ utility levels? Based on 57 recent studies of high quality that contain 87 relevant separate analyses, they concluded that entrepreneurs have a very important -but specific- function in the economy. Recent studies show that entrepreneurial firms produce important spillovers that affect regional employment growth rates of all companies in the region in the long run.

**Avlonitis and Salavou (2007)** investigated entrepreneurial orientation of SMEs, product innovativeness, and performance. They looked beyond the
entrepreneurial orientation (EO)-performance link and focused on identifying the EO profiles of SMEs to suggest variations in product innovativeness. Based upon a sample of 149 manufacturing companies, their study identified two opposite groups with the help of a cluster analysis, namely the active entrepreneurs and the passive entrepreneurs. The results verify the viewpoints stated by industry experts in Greece and also facilitate further understanding of firms following a similar duality observed in other studies. Taking a step further, subsequent analysis of variance demonstrated that these groups consisted of product innovators, who took equal care of reducing customers’ burden (e.g. time, effort, purchase risk) in adopting new products. However, the entrepreneurial attitude instilled in active entrepreneurs as compared with passive entrepreneurs is primarily mirrored in new products, which embody in their characteristics higher uniqueness; an ingredient found to act as an important contributor to product performance. Their article, apart from its contribution to the entrepreneurship research, has meaningful implications for managers and policy-makers. The focal point of their research was on SMEs, which constitute the vast majority of enterprises in Greece, as in most European countries.

Kassicieh and Rahal (2007) investigated a model for technology forecasting in strategic regional economic development as regions look to increase their economic developmental activities, technology-based developments and the penchant for long-term developments in disruptive technologies like nanotechnology become an important part of the options available to these regions. Their paper proposes a model that analyzes several important factors that can lead to success in analyzing these factors promoting the idea that policy makers should analyze the situation from different perspectives to reach justifiable decisions. These factors include the research capabilities of the region, its commercialization and manufacturing capabilities and the markets on which it should focus. Several mathematical models were then presented to help in that endeavor.


Kuivalainen, Sundqvist and Servais (2007) explained firms’ degree of born-globalness, international entrepreneurial orientation and export performance. Despite the recent increase in studies, ’born-global’ on firm’s there has been little research on how the scale and scope of being a born-global firm affects performance. Most of the earlier research takes no account either the number of or the distances between the countries on firm or export performance. The paper explores the relationship between entrepreneurial orientation and two different born-global strategies, namely true born-global and apparently born-global (born-international), and the effectiveness of these two born-global pathways. The results of this empirical study on 185 Finnish exporting firms show that those that qualified as true born-globals had better export performance. Furthermore, depending on the degree of born-globalness, different dimensions of EO were of importance. The sample for the study was drawn from the Kompass Finland database (SKOD, 1998). Since they were interested in studying firm-level phenomena, firms practicing export and employing more than 50 persons were chosen. The true born-global firms were more international with an average of 60 export destinations and almost 85% of their turnover derived from export markets, compared to the 26 export destinations and 72% of foreign turnover reported by the born-international firms.

Teece (2007) dealt with nature and the micro-foundations of the capabilities necessary to sustain superior enterprise performance in an open economy with rapid innovation and globally dispersed sources of invention, innovation, and manufacturing capability. Dynamic capabilities enable business enterprises to create, deploy, and protect the intangible assets that support superior long-run business performance. The micro-foundations of dynamic capabilities—the distinct skills, processes, procedures, organizational structures, decision rules, and disciplines—which undergird enterprise-level sensing, seizing, and reconfiguring capacities are difficult to develop and deploy. Enterprises with strong dynamic capabilities are
intensely entrepreneurial. They not only adapt to business ecosystems, but also shape them through innovation and through collaboration with other enterprises, entities, and institutions. The framework advanced can help scholars understand the foundations of long-run enterprise success while helping managers delineate relevant strategic considerations and the priorities they must adopt to enhance enterprise performance and escape the zero profit tendency associated with operating in markets open to global competition. The entrepreneurial management function embedded in dynamic capabilities is not confined to startup activities and to individual actors. It is a new hybrid: entrepreneurial managerial capitalism.

**Goyal (2006)** investigated impact of globalization on developing countries with special reference to India. Rapid growth and poverty reduction in China, India, and other countries that were poor 20 years ago, has been a positive aspect of Liberalization Privatization and Globalization (LPG). India opened up the economy in the early nineties following a major crisis that led by a foreign exchange crunch that dragged the economy close to defaulting on loans. This study explored the contours of the on-going process of globalization Liberalization and privatization. Throughout this study, there was an underlying focus on the impact of LPG on Indian economy. It also comments on impact of LPG on developing countries in the world; but major developments have taken place in the world economy since then. These lead to the shift of focus from the US and the rich countries of Europe to the two Asian giants, India and China. Economic experts and various studies conducted across the globe, envisage India and China to rule the world in the 21st century. India, which is now the fourth largest economy in terms of purchasing power parity, may overtake Japan and become third major economic power within 10 years.

**Karadeniz (2006)** examined the importance of the entrepreneurship in the economic development and analysis the relationship between small firms and entrepreneurship. Entrepreneurs may introduce important innovations by entering
markets with new products and/or production processes. Small businesses are considered a vehicle for entrepreneurship and a source of employment and income and contribute to innovative and competitive power. Schumpeterian entrepreneurs are found mostly in small firms. They make at least four main contributions to the economic development: they are entrepreneurs, they are the source of substantial innovative activity and play significant roles in the process of technological modifications, and they encourage industrial development, and constitute an important share of the newly created jobs in recent years. An important result of their mode is that initial stocks of human capital are significant for the process of development. Entrepreneurial human capital is more important in middle-income countries.

Lucas and Cooper (2005) explained enhancing self-efficacy to enable entrepreneurship. Enhancing levels of innovation and entrepreneurship to grow a more competitive economy is the focus of much of government effort. Attention is paid to changing a culture seen as antagonistic to entrepreneurship through initiatives designed to promote an entrepreneurial spirit. This programme is found to have created enduring improvements in entrepreneurial self-efficacy, and a related strengthening of pre-entrepreneurial awareness and exploration of ideas for starting companies. Other assessment results are presented suggesting the need to include explicit course content on entrepreneurial career paths. The results of the post-event test are reviewed to show that there is a strong proximal impact of the event that can only be attributed to the programmed, suggesting a strong causal link with the programmed content and changes in leadership and entrepreneurial self-efficacy.

Wong and et al (2005) carried out research on entrepreneurship, innovation and economic growth using evidence from GEM data. Studies on the impact of technological innovation on growth have been largely silent on the role of new firm formation. Using cross-sectional data on the 37 countries participating in GEM
2002, they used an augmented Cobb–Douglas production to explore firm formation and technological innovation as separate determinants of growth. One area of interest was the contrast between different types of entrepreneurial activities measured using GEM Total Entrepreneurial Activity (TEA) rates – high growth potential TEA, necessity TEA, opportunity TEA and overall TEA. Of the four types of entrepreneurship, only high growth potential entrepreneurship was found to have a significant impact on economic growth.

This finding was consistent with extant findings in the literature that it is fast growing new firms, not new firms in general, that accounted for most of the new job creation SMEs in advanced countries. The study proposed to empirically test a model that incorporates new firm creation and innovation as separate aspects of entrepreneurship and determinants of economic growth rates. As discussed, the Schumpeterian tradition has coupled the concepts of entrepreneurship and innovation such that in much of the work linking technological innovation to economic growth, the role of entrepreneurship was implicit as an underlying cause of innovation.

**Audretsch and Keilbach (2004)** studied investigated what determines regions’ entrepreneurial behavior and the impact of it on regional economic performance. They agreed that the role of entrepreneurship is to take risks by starting up a new firm. This implies knowledge spillovers and hence a positive impact on economic performance. They tested this hypothesis using a production function approach using data on German regions. Using regression on analysis they found significant impact of entrepreneurship capital on economic growth. The empirical evidence suggests that the degree of spatially specific entrepreneurship capital is shaped by regional-specific factors that vary significantly between technology-oriented entrepreneurship and more general or non-technological (“low-
techno”) entrepreneurship. In turn, the extent of entrepreneurship capital has a positive impact on regional economic performance.

Carland and Carland (2004) investigated the impact of entrepreneurship on employment and the U.S. economy, and demonstrated that the greatest impact on the economy during the decade of the 1990s, as well as the greatest potential for future economic development, is vested in those firms with less than 20 employees. The authors proposed specific economic development policy changes which can result in creating an atmosphere which is more conducive to entrepreneurial activity, and suggest that the battle cry should be changed to, “What’s good for Entrepreneurship is good for America.”

Drejer (2004) attempted to apply innovation concepts developed especially for services and demonstrated that Schumpeter’s original innovation concept is indeed broad enough to encompass services and manufacturing. In this survey the innovation concept is broadened to encompass not only product and process innovation, but also internal organizational innovation and external relational innovation. The analysis confirmed a range of hypotheses regarding service innovation, including the importance of clients, the multiplicity of possible actors involved in innovation and the pre-eminence of interactive models of innovation (as opposed to the linear model of innovation), as well as the problem of protecting innovation in services.

Karlsson et al (2004) explained relating entrepreneurship to economic growth. They mentioned that the entrepreneur is an elusive character in economic theory due to the difficulty of providing an accurate description. Numerous empirical studies have examined the effects of entrepreneurship, but few studies have been undertaken in order to summarize the empirical evidence and synthesize the theoretical framework and the empirical results. The objective of this paper was
to provide a critical overview of recent empirical research on the relationship between entrepreneurship and economic growth. Empirical studies show that increased competition has been found to increase employment as well as enhance growth in total productivity. Small firms produce a large share of the total number of innovations, given sartorial differences, and are found to innovate in relatively unexplored fields. Innovation is also claimed to be a fundamental feature of successful small firms. A cautious conclusion was that both small and large firms might be of importance for economic growth.

**Lal (2004)** dealt with E-business and export behavior based on the evidence from Indian firms. The paper identified and analyzed the factors that have influenced the export performance of firms in the post-liberalization era of the Indian economy. Entrepreneurial characteristics, historical data of firms, and other firm-specific factors such as the size of operation, export intensity, technological collaboration, wage rates, and profit margins, were included in the analysis. The findings of the study suggest that the performance of firms in international markets has been better for those that have adopted more advanced e-business tools. The size of operations and the skill intensity of a firm’s workforce also play an important role in its export performance. The results show that skill was the only variable to emerge as a significant factor influencing the export intensity of firms. The study is based on primary data collected from firms located in the new Okhla, industrial development area. The results of the study also suggested that the technological collaboration of Indian firms with foreign companies does not differ significantly among exporting and non-exporting firms. This was contrary to their expectations. The results of the study showed that the type of technology used for e-business and the skill intensity of the workforce were the two most significant factors found to influence the export performance of firms.
Rocha (2004) studied the role of clusters in defining entrepreneurship as the creation of new organizations. The author attempted to explore the moderating effect of clusters on the impact of entrepreneurship on development. To identify potential causes of this moderating effect, the paper focused on three different impacts: entrepreneurship on development, clusters on development, and clusters on entrepreneurship. Entrepreneurship is positively associated with economic growth. Given the previous finding, it is difficult to generalize on the impact of clusters on the association between entrepreneurship and development. Main study for future studies to consider disentangling the impact of clusters on entrepreneurship, development and the association between entrepreneurship and development. The study on the impact of entrepreneurship on development reveals that there is a positive association, theoretically as well as empirically, between entrepreneurship and economic growth.

Dejardin (2000) conducted an introductory survey of two fundamental questions regarding the relation between entrepreneurship and economic growth. The first one deals with the endogenous relationship between entrepreneurship and growth. In particular, the author suggest that, while more entrepreneurship could mean more economic growth, economic growth in turn could affect the individual arbitrage between different professional occupations (including entrepreneurship) and expected payoffs. The second question is concerned with the types of activities to which the individual directs his talents. This paper distinguished between entrepreneurship and rent-seeking. The impact on economic growth was assessed in static and dynamic frameworks.

Tesar and Moini (1998) carried out a longitudinal study of exporters and non-exporters which focused on smaller manufacturing enterprises. Many smaller manufacturing enterprises are reluctant to export even though, since the late 1960s, governments have attempted to stimulate them to export. They examined the
differences between exporting and non-exporting smaller manufacturing enterprises over the past 20 years using the same research methodology and conceptual and theoretical foundation. The results of this study were encouraging and clearly indicated significant changes over the past 20 years between exporting and non-exporting SMEs. They suggested that over the past 20 years exporters in the study were externally oriented and non-exporters remained internally oriented. These findings have important implications for export development efforts of both governments and managers. This study spanned 20 years and consisted of three sets of data. Data were collected in 1975, 1985, and 1995. All three sets were generated from the panel of SMEs assembled for the 1975 study drawn from the classified directory of Wisconsin manufacturers. The study was designed to focus on a panel of SMEs which, over the past 20 years, operated in a single external business environment based in a single state.

2.9. Research Gap

There are studies highlighting the relationship between the performance of entrepreneurial enterprises and their impact on economic indicators with focus on SMEs at the individual level. But there are not too many studies to shed true light on this aspect in Karnataka level. Moreover, there are no studies which have empirically verified this relationship in Mysore. The present study will focus on the performance of entrepreneurship in SMEs and its impact on economic indicators in Karnataka with specific reference to Mysore.

The existing research as revealed in the review of literature generally supports the existence of positive influence of the entrepreneurship performance on the economic indicators. However, it is very much centered at the other countries which are labeled as the advanced economies. No such attempts have been made so far to examine the relationship between the performance of entrepreneurial
enterprises and their impact on economic indicators with focus on SMEs at the individual level in India.

Additionally, in a few number of studies focusing on the Indian economy, the variables taken into the respective studies have not been comprehensive. This connection can be implied that the background of study indicates the absence of research on the performance of entrepreneurship in small and medium size enterprises, based on the innovativeness, risk-taking, pro-activeness, autonomy, and competitive aggressiveness as entrepreneurial characteristics on the one hand and economic indicators comprising of employment, export, and LPG polices (liberalization, privatization, and globalization) on the other hand, as variables in the performance of entrepreneurship with reference to SMEs, performance of entrepreneurship, including: sales growth, customer satisfaction, profitability and market share.

2.10. Conclusion

The foregoing survey and review of the literature relating to entrepreneurship and economic development indicators reveal that entrepreneurship plays a crucial role in innovations in business which in turn helps hasten the rate of economic development indicators.

From the review of literature reported above, it appears that some studies have focused on factors affecting the SMEs development. Some of them have studied the impact of entrepreneurship development programs in SMEs performance development and offered their own suggestions. Some researchers have endeavored to bring out the ranking of motivating factors for entrepreneurship development, while others have highlighted how entrepreneurs and the society perceive growth. Some studies have also showed problems faced by entrepreneurs and have been suggested measures to overcome such constraints.