CHAPTER II
REVIEW OF LITERATURE

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INTRODUCTION
Entrepreneurial talent exists in every society and in all sections of society. In developing countries, a favourable socio-economic environment helps in exploiting latent entrepreneurial talent. However, in less developed and developing countries, particularly in certain backward areas, an unfavourable socio-economic environment hinders the emergence of entrepreneurial talent.¹ The pivotal role that effective entrepreneurship plays in the economic development of a nation is acknowledged in all quarters. For effective entrepreneurship to flourish there has to be, among other things, resources and opportunities, infrastructure facilities, systemic support in terms of governmental policies and actions, favourable attitude of supporting institutions and a social system conducive to economic achievement. Experiences have shown that two major factors have played significant role in developing entrepreneurship. One of them is the development of 'human factor'-the entrepreneur himself and the other is development of 'environment' where entrepreneurial activities can flourish and grow. In pursuance of this view, the entrepreneurship development involves all those activities of entrepreneurship promotion agencies to increase the supply of people with entrepreneurial characteristics for business creation.

SCOPE OF THE REVIEW
In view of entrepreneur occupying the pivotal role in conceptualizing, operationalizing and sustaining the enterprise, the review of literature presented below covers sources of entrepreneurship; social structure; support system; managerial strategies; models of entrepreneurship development; entrepreneurial performance; and entrepreneurship training and development.

¹Patel, V.G., [1987]. Entrepreneurship Development Programmes in Indian and its Relevance to Developing Countries, Ahmedabad: Entrepreneurship Development Institute of India.
SOURCES OF ENTREPRENEURSHIP

One of the contemporary issues relates to the sources of entrepreneurship the issue lies in how the entrepreneurship emerges in an economy. The approaches to models of entrepreneurship development are essentially based on two opposite assumptions of natural process and change process. The advocates of natural process view that entrepreneurship is the result of social, cultural and religious environment of a society. The proponents of change process view that it is the deliberate attempt to transform the risk averters to risk takers through support systems and imparting managerial skills. These assumptions of entrepreneurship development have been classified in different ways. Manimala [1999]^2 visualizes the models in terms of population ecology model and strategic decision model. The population ecology model visualizes minimum role of the management and holds that the survival of the enterprise depends on the degree to which they are compatible with the environment. Weber [1930]^3 posited that the entrepreneurship emerged in the context of religious belief system, which he called the Protestant ethic. This hypothesis has been supported by researchers like McClelland [1961]^4 who proposes that achievement motive (n-Ach) is the critical cause of entrepreneurial behaviour and traces the origin of the motive to child rearing practices based on religious ideology characterized by the Protestant ethics. This school of thought is supported by Hannan and Freeman [1977]^5, Aldrich [1979]^6, Delacroix and Carroll [1983]^7, Greenfield and Strickon [1986]^8, Kaufman

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However, the Weberian theory has been challenged and refuted by Fox [1973]; Mines [1973]; Papanek [1973]; Nandy [1973]; and Singer [1973].

The strategic choice model supported by Child [1972], Evan [1976], Hall [1980], Hirsch [1975], and Starbuck [1976] holds that the entrepreneurship is a process of constant adaptation and sometimes manipulation and control of the environment through strategic choices. It is also observed that most of the entrepreneurship research has assumed a strategic adaptation perspective as evidenced by Low and MacMillan [1988]. As a result, many studies have come out in recent years. The study by Huefner and Hunt [1994] finds that personal control and innovation are the most important contribution of an entrepreneur to his enterprise.

Similarly, Chandler and Hanks [1994] observe that the founder's competencies are the moderating variables influencing the relationship between the quality of the opportunity and entrepreneurial performance.

Basically, the discussion on the sources of entrepreneurship revolves around (i) Social Structure; (ii) Support System; and (iii) Managerial Strategies. In fact, these issues have historically evolved over the years. The review of literature relating to these issues is presented below:

(i) Social Structure:

The proponents of social structure posit that entrepreneurship is a natural process caused by religious beliefs and it entails a positive relationship between caste hierarchy and entrepreneurship.

Millman's [1954] study of the Marwari caste revealed the possibilities of community customs providing for apprenticeship, by which the youngsters could learn techniques of business and become entrepreneurs eventually.

However, Mrs. Pandit [1957] was of the view that the castes and religions were not the forceful stimulants to trigger entrepreneurial ventures. She found that entrepreneurs emerged from all castes and religions in Gujarat. The Gujaratis put a prestige value on business, which no other region did. This led to a greater occupational mobility among the people. The unique social set-up worked as a leverage factor among Gujarati businessmen not only in India, but also in other parts of the world. She suggested a 'regional approach' to expand the entrepreneurial base by referring the case of Gujaratis.

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Mrs. Acharya [1957] elaborated Pandit's regional approach by incorporating geographical environment, religion, economic activities, political conditions, ethics etc. She argued that occupational mobility of caste hierarchy was not exclusive to Gujarat, but existed in other regions as well.

Weber [1958] studied the ever-contentious issue of influence of religion on entrepreneurship and held the view that religious beliefs of Hinduism and Jainism were not favourable for entrepreneurship. This view has been succinctly put by Hill [2001] in these words “Max Weber, who is famous for expounding on the Protestant work ethic, also argued that the ascetic principles embedded in Hinduism do not encourage the kind of entrepreneurial activity in pursuit of wealth creation that we find in Protestantism. According to Weber, traditional Hindu values emphasize that individuals should not be judged by their material achievement, but by their spiritual achievements. Indeed; Hindus perceive the pursuit of material well being as making the attainment of nirvana more difficult. Given the emphasis on an ascetic lifestyle, Weber thought that devout Hindus would be less likely to engaged in entrepreneurship activity than devout Protestants.”

Berna [1960] studied fifty manufacturing firms engaged in the production of various kinds of light engineering products in Madras City and Coimbatore. He studied the entrepreneurs’ background and origin and found that the initial entry into industry was open to persons of very different social standing and economic position. His findings went against the popular belief that caste and tradition played an important role in the emergence of entrepreneurs and he stated that the growth of enterprises was achieved in the face of formidable obstacles. He also stated that the performance of medium and small-scale industrial entrepreneurs could be improved, and

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their contribution to industrial progress could be increased, if certain technical knowledge of production and management was provided to them.

Singh [1964] conducted a study of twenty-five firms operating in the light engineering industry in Agra. He examined the socioeconomic background of these entrepreneurs and the motivational factors that induced them to establish their units. He observed that Agarwal community and merchant groups dominated that engineering industry in Agra. He also observed that profit motive was the main force which induced the entrepreneurs. He found that none of the firms had borrowed funds from the financial agencies, private as well as public nor had they received government help for their initial financing.

Medhora [1965] too disagreed with the notion that the religions were the hurdles for pursuing trading occupations and accumulations of wealth in India. He contended that the reason for the failure of Indian entrepreneurs to develop on the modern lines was not Hinduism but the restrictive British rule in India.

However, Timberg’s [1969] study revealed that the presence of commercial social institutions and values made Marwaris and other entrepreneurial castes succeed in business. He recognized that joint families and strong caste loyalties had given strength to their growth.

Guha [1970] studied the Parsi community about its growth over a period of a hundred years. It provided a clear picture about the industrious nature of Parsi community and their dominance in trade, ship building.

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industry, and he narrated how the British regime throttled the fledging shipping industry in India. Another study by Guha [1970]\(^\text{35}\) provided an insight into the special qualities of Parsi community that led them to success in business. Their ability to adjust to European power in India, their greater occupational mobility, a unique cultural bondage among the community and their presence in a firmly developed region of western India were some of the contributing reasons cited by him.

A study was conducted by Gaikwad and Tripathi [1970]\(^\text{36}\) in Tanku region of West Godavari district of Andhra Pradesh about the entrepreneurs in the small-scale sector. It was observed that determination, initiative and hard work of the entrepreneurs were helpful in developing their units despite the fact that a majority of them had neither technical knowledge nor strong economic base. It was also observed that dashing and pragmatic personality, managerial competence, high motivation, dominant socio-economic power enjoyed by the family and contacts at higher social and governmental level led to entrepreneurial development. A general thinking that tradesmen were potential entrepreneurs was proved wrong by this study.

Tripathi [1971]\(^\text{37}\) disputed the contention of Weber that Hindu value system prohibited entrepreneurial creativity. He argued that lack of 'climate for enterprise' among the non-business communities was the main reason for their entrepreneurial backwardness. He also posited that the societal norms, particularly the occupational immobility restricted the non-trading community to embrace entrepreneurial pursuits by relinquishing their trading occupation.


Subramanian [1973] investigated the factors that induced entrepreneurs to move into business ventures and assessed the existing supporting facilities for entrepreneurs. He arrived at the conclusion that entrepreneurship was more an outgrowth of economic factors than social factors.

Nandy [1973] made an extensive study of small entrepreneurs of West Bengal and concluded that some of the traits required for entrepreneurship were generally found in all religious and cultures, but a few vital traits varied from region to region.

Sarveshwar Rao and Naffziger [1975] conducted a study of 57 firms in Andhra Pradesh. The objective of this study was to find out the factors determining the supply and success of industrial entrepreneurship. The study revealed that the socio-cultural factors of the traditional Indian society did not influence the development of modern entrepreneurship.

Sharma [1975] studied the entrepreneurs in Uttar Pradesh with respect to their entrepreneurial orientation, commitment and achievement. He found that low entrepreneurial achievement could be attributed to the non-productive socioeconomic milieu, lack of commitment in workers and officials, and shortage of capital and raw materials. It was observed that non-business castes had a higher degree of entrepreneurial orientation and higher commitment than the traditional caste entrepreneurs. The low degree of entrepreneurial orientation and commitment in business caste entrepreneurs could be explained not because of their interest and capabilities but because of the well-established business that was inherited.

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from their fathers. He observed that there were four stages of entrepreneurial development, namely, entry into manufacturing, finding of market, establishment of business and expansion of the firm. He also observed the positive relationship between types of family and the four stages of entrepreneurship development.

Naffziger [1978] conducted a study of 54 entrepreneurs of small scale manufacturing enterprises of Vishakapatnam. He analyzed extensively the distribution of entrepreneurs by caste and class (parental, economic and occupational status) in relation to the total population of the city and related the performance of the entrepreneurs to their educational attainment, occupational background, managerial and entrepreneurial experience, initial capital access to governmental assistance and business success of the entrepreneurs. He used the value addition of the firm and income class of the entrepreneurs as the major indicators for business success. He arrived at two conclusions: firstly, rich families succeeded as entrepreneurs due to education, work experience, access to capital and availability of government assistance and secondly, the socio-economic status of businessmen was generally higher than that of the general population.

Sharma and Singh [1980] envisaged that entrepreneurial growth comprised of four stages i.e., entry into manufacturing, expansion of business, perception of business stability and commitment to the expansion of units and examined the effects of political, social and psychological factors at each stage. They observed that the caste background of the entrepreneurs had influence on the entrepreneurs' entry into manufacturing, expansion of business and perception of business stability. The political milieu was an effective determinant of commitment to expansion of business. They also observed that government facilities were availed largely by people with business background and high social status in the social hierarchy.

Hadimani [1985] conducted a survey of 200 traditionally trading entrepreneurs belonging to the weaving and non-weaving castes, in the handloom industry of Mahantapur. His study indicated that caste attachment to the caste occupation was strong, but interestingly it promoted entrepreneurship in the case of the trading caste and hindered it in the case of the weaving caste. He opined that this dual role of caste in entrepreneurship was mainly due to the presence or lack of several social, economic, political, educational and human resource factors.

Goswami [1985] too went through the entrepreneurial history of Marwari entrepreneurs of modern industry in Eastern India from the end of World War I to 1950. He observed that Marwari entrepreneurs started their entrepreneurial career as moneylenders, slowly became shareholders and later on established their own new units of jute industry, finally moved to other modern sectors. He succeeded in refuting the notion that natives had access only to residual sectors under colonization.

However, Zafar [1984] found that family background, caste factor and educational background had no effect on entrepreneurship in Pakistan.

Mishra and Bisht [1989], in their study covering 100 entrepreneurs of Nainital District in Uttar Pradesh, ascertained that entrepreneurs emerged mainly from traditionally enterprising communities. However, Sadhak [1989] observed that the entrepreneurs originated from diverse socio-economic background.

44 Hadimani, R.N., [1985].
Bhatia and Sharma [1989] in their study of 108 small-scale industrial units in Punjab, found that specific occupations and family backgrounds of entrepreneurs were helpful in improving their performance. Further, it has been found that caste affiliations are still relevant in the industrial enterprises.

Manimekalai [1993] examined the differential performance of the entrepreneurs in and outside the industrial estates in Tiruchirapalli district of Tamil Nadu. A sample of 108 units inside and 35 units outside the industrial estates were selected. The analysis was made on the socio-economic characteristics of the entrepreneur and also on the performance and success status measured by entrepreneurial economic success index. In case of industrial estates, the migrants were from outside the local district, did not have much education and belonged to the communities of Chettiar, Vellalars, Brahmins and Mudaliars.

Experience of the last few decades, both in India and abroad clearly showed that it was possible to develop entrepreneurs through planned effort. The myth that entrepreneurs are born and not made no longer holds good. Deolankar [1993] studied the profile of entrepreneurship development. He observed that the entrepreneurship among the weaker sections, tribal people, who constituted the large section of the Indian masses, needed to be brought into the main stream of development. The only silver lining was that India has acquired useful experiences in the field of small industries development over the years and with its knowledge, experience, perseverance and determination one can hopefully expect the predictable change in the coming years. The age-old theory the entrepreneurs are born

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and cannot be developed by human efforts is now falsified and they are made through suitable training programmes.

Davidson [1995]\(^{52}\) analyzed the relationship between entrepreneurship success, regional structures and attitudes. The study focused upon six different regions in Sweden and their types and levels of entrepreneurship. The study concluded that variations in entrepreneurs were related to differences in cultural attitudes and values. Furthermore, the rate of new business formation was dependent upon its respective regional structure.

On the whole, it is important to note that the social hierarchy influences the emergence of entrepreneurship in the sense that higher the social hierarchy, greater is the emergence of entrepreneurship and this is still having the validity to substantial extent in the Indian context. However, this unique feature of the linkage between social hierarchy and entrepreneurship has not been found in other social systems of the world with such a high level in India.

(ii) Support System:

In recent years, the Protestant ethic as a source of entrepreneurship has been refuted and the proposition is that entrepreneurship has to be developed through the support system, which consists of financial and physical incentives. As a result, the governments have embarked on enthusing the entrepreneurs by providing financial and physical capital through well-knit institutional arrangements. The effectiveness of support system has been studied by many researchers and the findings have been analyzed below.

\(^{52}\)Davidson, Per., [1990]. *Culture, Structure and Regional Levels of Entrepreneurship*, Entrepreneurship and Regional Development, Jan-Mar: Taylor and Francis; 1900 Frost Road, Suite 101; Bristol, PA 19007 CELCEE NUMBER: c 96667
Papanek [1962][53] depicted that the emergence of entrepreneurs was dependent on the favourable economic incentives. According to him, by providing strong economic incentives, even groups with little or no commercial background would come forward to launch their enterprises. He cited the case of Muslims in Pakistan who had little entrepreneurial history before partition, but responded to the economic incentives.

Yusuf [1962][54] evaluated the role of business entrepreneurs in the Lebanon economy and held that the entrepreneurs could not contribute much to the economy. He observed that inadequate and irregular supply of finance influenced entrepreneurs' rational expectation of profit and also their awareness of social responsibility negatively.

Rao and Sumithra [1965][55] discussed some of the factors that induced and impeded the growth of entrepreneurship. They observed that government could affect the entrepreneurship both ways, adversely as well as favourably. They examined the role of government action in terms of planning and policies in the growth of industrial entrepreneurship in India.

According to Vepa [1967][56] Japanese entrepreneurship could find active expression because the Japanese political system properly integrated the industrial and agricultural economy, large, small and handicraft industries, labour intensive and capital intensive industries, etc. The political system affected entrepreneurial growth adversely in many other ways. Taxation policies were crucial to the growth of entrepreneurship. Also, the raw material distribution and export and import policies were crucial determinants of entrepreneurial growth.

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Papanek [1967] found that strong economic incentives created by Korean boom, contraction of foreign trade, conditions of scarcity in Pakistan, import of machinery subsidized by an undervalued rate of exchange were sufficient to develop a number of industrial entrepreneurs. A social and political environment conducive to growth and some groups or individuals in touch with market made these economic incentives effective.

Ofari [1970] reported that the Negro small entrepreneurs were unable to benefit substantially from the government agencies in obtaining capital and management know-how. It was either due to the inadequacy of facilities provided by the agencies or due to disinterest or lack of orientation among entrepreneurs that they did not avail themselves of the facilities.

In his study of small industries of Madurai, Subramaniam [1975] suggested that not security but the prospects and ability of entrepreneurs to grow should be the criteria for loans. He opined that a systematic evaluation of the various support systems organized by the government for entrepreneurs was still needed.

Sharma [1979] conducted a comparative study of the promotion of small enterprises by institutions and agencies in the developing countries of Asia. He identified that the policy for promotion of small industries was defective and this led to lack of integration, organization and exclusiveness. He did not find any co-ordination among the various support organizations to evolve an appropriate and integrated approach.

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Setty [1980]^61 stressed the need for creating awareness about entrepreneurial possibilities among college students and a congenial entrepreneurial climate, which motivated, encouraged and facilitated individual to entrepreneurial activities. He stated that there was a need of institutional support for entrepreneurship development among women.

Deshpande [1982]^62 studied 90 entrepreneurs from Marathwada region to find out the entrepreneurial settings and various steps necessary in the preparatory stage. He concluded that government incentives like central subsidy, development of industrial areas and development of infrastructure had initiated and accelerated the process of industrialization and encouraged some people to take up entrepreneurship. But he also noticed that only the upper stratum of the society availed most of the economic benefits created for the society by the government agencies to develop the small-scale industrial entrepreneurship.

Singh [1986],^63 while analyzing the cases of successful entrepreneurs from the viewpoint of social values, governmental efforts and factors influencing entrepreneurship suggested an effective nodal agency for entrepreneurship development.

Rao [1986]^64 studied fifty-one entrepreneurs in Andhra Pradesh. The main objective of the study was to find out the impact of government programmes and policies for promoting industrial entrepreneurship. He concluded that the governmental efforts certainly boosted entrepreneurship.

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Choudary [1986] conducted a study to find out the characteristics associated with the success in urban small entrepreneurship. The data was collected around the twin cities of Hyderabad and Secunderabad of Andhra Pradesh. The chi-square test was used for analyzing the data. The following conclusions were made from the study; (i) Promotion of job-oriented educational facilities up to the college level; (ii) Creation of an environment conducive to industry and business; (iii) Machinery to promote and encourage small entrepreneurs; and (iv) Creation of awareness about the facilities offered by the government.

Sadhak [1986] studied the industrial units in Aurangabad district of Maharastra and found that financial incentives played a crucial role in starting industries by the first generation entrepreneurs, i.e., by providing necessary finance from 75 to 85 per cent of the project cost.

Datta [1987] opined that multiple agencies were the major problems with non-synchronized support system for new ventures and hence he suggested single window clearance system.

The study by Vijaya [1987] focused on entrepreneurship development in the districts of Telangana region of Andhra Pradesh. The objective of the study was to evaluate the role of industrial estates in the development of entrepreneurs. Eight industrial estates were taken for the study. A sample of 10.00 per cent was selected from the total units functioning in each of the selected estates. She emphasized that greater attention was to be given for the development of local entrepreneurs for even regional development and prosperity. It was found that nearly 40.00

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per cent of the entrepreneurs were attracted to starting small-scale industry mainly due to availability of incentives, subsidies and other support facilities offered by the government.

Sureka [1989] focused on the role of women as entrepreneurs and stated that the problem faced by women entrepreneurs were quite different from that of male entrepreneurs, because most of the women in the field were new entrants or belonged to first generation. Hence consequently, she argued for intensified support from the government, banks and other institutions on priority basis to facilitate the development of women entrepreneurs.

Sharda [1989], in a study of women entrepreneurs in India, pointed out the recent boost in governmental involvement through different official and non-official agencies at the state as well as the central levels through various schemes, programmes and training for the women entrepreneurs, and the study stated that this kind of support was needed for the development of entrepreneurship among women and the support system was ineffective.

Mishra and Bisht [1989] observed that lately people engaged in service sector too made headway in entrepreneurial adventures. The procedural lacunae and malafide intention on the part of institutional set-up did more harms than good for entrepreneurial development.

The studies by Haskins and Hubert [1989], Good [1996] and Dinis [1998] showed evidences that most of the individuals were not aware of

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71Mishra and Bisht [1989].
the institutional support available to creation and development of small firms. Furthermore, when they were aware, often they were not inclined to make use of it. These studies revealed that individuals were usually isolated from official sources of assistance by a variety of more familiar sources of help and advice in which they had more confidence and which are more regularly used. These sources included family and friends, business acquaintances, members of the firm, professional advisers, including banks, accountant, lawyers and officers with entrepreneurs having to maintain daily contacts. Only after making use of these sources, the entrepreneurs started searching for some more specific information in the "official" sources of support and advice.

Sadhak [1989] found that entrepreneurs were self-motivated rather than motivated by institutional training and development programmes. The financial institutions played a crucial role in inducing the potential entrepreneurs. Concessional finance and other incentives significantly influenced the decisions to locate the units in backward areas. He recommended separate entrepreneurship development action plans for backward and non-backward areas. He insisted, in his Resource Linked Integrated Model, for a detailed survey of socio-economic situation of the area; specifically about the local social, political and financial institutions, locally available resources, skilled and unskilled manpower.

Khanka [1990] studied 50 small-scale entrepreneurs in a notified backward region of the Kumaun division of Uttar Pradesh regarding the emerging performance level and problems of entrepreneurship. A guiding

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assumption of this study was that true display of the entrepreneurial role and attributes could be well seen only in the case of small-scale entrepreneurs. The study brought under its purview entrepreneurial setting, entry into entrepreneurship, financing of entrepreneurship, entrepreneurial performance and their problems. He laid stress on the policy implications to provide liberal incentives and concessions to the entrepreneurs to encourage, promote and strengthen the small units in backward areas.

Sarmah [1990] observed that in most of the states, major emphasis was given to support activities and this prevented the prospective entrepreneur from taking initiative in sustaining other activities.

Gore [1990] observed that small-scale industries in Karnataka flourished basically due to systematic institutional support and emphasized on the need for continuation and intensification of this support.

Lakhanpal [1990] conducted a study covering the performance of institutions engaged in entrepreneurial development in Himachal Pradesh. He classified them into three broad groups, viz., financial institutions, promotional institutions and training institutions. He stressed the need for certain adjustments in the institutional framework and recommended for the creation of state 'single window' industrial support system.

In a regional study of entrepreneurship development, Baruah [1990] opined that different variables entering into entrepreneurship were not fully developed in backward regions. The persons interested in entrepreneurship did not have the knowledge about the entrepreneurship development programmes. In fact, the author hinted at the failure of institutional support system.

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Varshneya [1991] analyzed the issue of development of entrepreneurship amongst women. He stated that due to various factors, women were not adequately utilizing bank credit and as a result, small women entrepreneurs were frequently in debt to middlemen or money-lenders in India. To overcome these factors, he posited that the nationalized banks and other financial institutions must provide them credit at concessional terms.

The empirical study by Suresh [1992] related to the structure of entrepreneurship in Karnataka with special reference to small entrepreneurs in Mysore District. The following were the major conclusions of the study relating to support system in the process of industrialization: (i) due to the lethargic attitudes of promotional agencies and increased incidence of sickness, the fear psychosis amongst potential entrepreneurs was very high; (ii) selection of the products was almost influenced by previous experience; (iii) the number of entrepreneurship development programmes of DIC decreased considerably over the years due to lack of adequate personnel; (iv) the single window agency was almost ineffective; and (v) the market analysis by entrepreneur was found to be non-existent and the entrepreneur relied on the information supplied by friends and well wishers alone. The study also included the suggestion of establishing Entrepreneurship Development Institute at the state level, and Industrial Data Bank, Grievance cell and Entrepreneurship centre at the District level.

Kallur and Chandakavate [1992] conducted a study in Bijapur district of Karnataka state. The objective of the study was to know the role of subsidy in motivating the unemployed youth towards self-employment. The study was limited to the analysis of Self Employment to Educated

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Unemployed Youth (SEEUYY) alone. Out of the total of 379 beneficiaries 114 beneficiaries representing 30.00 per cent were selected on stratified random basis. The following observations were made from the study: (i) 40.00 per cent of the units were either started after availing the loan or closed down after working for a short period; (ii) the beneficiaries were irregular in their repayments; (iii) 65.00 per cent of the beneficiaries reported that self-employment was not the first choice but they preferred to go for wage employment; and (iii) subsidy was given to already existing units and this was against the purpose of the scheme. The suggestions of the study were as follows: (i) subsidy to be given to qualified units only; (ii) establishment of self-employment promotion cell to avoid duplication of benefit; and (iii) subsidy to be given for new units only and for right beneficiaries.

Rahim [1992] conducted a study of 200 entrepreneurs belonging to Muslim community in Bellary district of Karnataka. The study made an attempt to know the impact of government policies on entrepreneurship development in particular and industrial development in general. It was observed that entrepreneurship in the Bellary district among Muslim community had been prompted by non-governmental factors and the role of developmental institutions in developing and promoting entrepreneurship was not very effective.


Mohan and Rao [1992], Kumar and Rao [1992] conducted studies on various aspects like motivational dilemmas of entrepreneurs, characteristics of successful entrepreneurs, growth of small industries and problems of small entrepreneurs. All these studies identified government support as essential for the development of entrepreneurship and industrialization.

Buechler [1995] described the measures adopted by 12 leading micro-lending institutions to attract women borrowers. It was observed that lending institutions should adopt flexible or alternative collateral security, small loans, rapid loan processing and a loan portfolio mix of different sizes and types of loans for encouraging women entrepreneurs. It was suggested that micro-lending institutions should link women clients with trade associations and other market avenues so that they were able to sell their goods at profitable price.

Lewis [1996] opined that rather than simply trying to generate small enterprises in a vacuum, agencies need to identify and support enterprises among the poor with credit, training and group formation.

Clay et al. [1996], referring to institutional support, pointed out that often these were inadequate criteria used to measure the success of policies directed towards small firms. These inadequate criteria probably led to an inadequate allocation of public resources and to deeper situations of

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unemployment and regional asymmetries. These authors observed that: (a) most individuals turned into a self-employment situation with or without governmental intervention; and (b) intervention policies were ineffective in the assistance to the development of small firms sector.

Kulakarni [1999] concluded that entrepreneurship development received considerable emphasis from the 1970s beginning with the Fourth Plan and implemented effectively to motivate and stimulate the educated unemployed in particular, potential investors among the rural rich, non-resident Indians, scientists, technologists, engineers etc. According to him, the overall strategy for the development of village and small industries broadly comprised of: (i) integration of promotional programmes for the sector with other areas of development programmes which could also correct the regional imbalance; (ii) organization of production and distribution functions with deliberate bias towards village small industry sector in such a way as to create opportunities for fuller and additional employment on dispersed and decentralized basis; and (iii) creation of suitable organizational base at various levels to implement the development programmes for the sector. Some other notable support measures for the small enterprises included: reservation of items for exclusive production and purchase; provision of financial and fiscal incentives supply of raw materials and machinery through small industries through the wide network of promotional bodies, viz., Small Industries Service Institute (SISIs); District Industries centres (DICs); Central Institute of Tool Design (CITD); Institute for Design and of Electrical Measuring Instruments (IDEMI) and National Institute for Entrepreneurship and Small Business Development (NIESBUD). The success of EDPs, conceived as an integral part of promotional agencies, would mean faster growth of small enterprises run by young and highly motivated entrepreneurs.

Anitha and Laxmisha [2003]\(^{97}\) examined the extent to which EDPs conducted by Karnataka State Financial Corporation (KSFC) motivated the entrepreneurs in setting up of units. They concluded that the coverage of EDPs conducted by KSFC was inadequate, EDPs had not motivated a large majority of entrepreneurs in setting up an industrial unit, and the various components and follow-up of EDPs were not useful to participants. It was suggested that before selecting the candidates for EDP training, a written test should be conducted which would help in assessing the strengths and weaknesses of the prospective entrepreneurs.

Reddy [2003]\(^{98}\) conducted a study of two groups of lower castes in Ananthapur, Rayalseema and Ranga Reddy districts of Andhra Pradesh. The objective of the study was to present a brief profile of SC/STs to know the various entrepreneurial activities among these two caste groups. Among the three districts, 120 units were selected as sample units. The following conclusions were drawn from the study: (i) most of the enterprises were established in the recent past which indicated the impact of developmental agencies was finally percolating; (ii) the age of entry of the entrepreneurs was generally above 25 years and even older than 35 years, which indicated that for SC/STs it took longer age to enter into entrepreneurial field; (iii) educational background was general and very few had technical background; (iv) the family background of the entrepreneur was service and business and this indicated that SC/STs adopted entrepreneurship with some experience; and (v) most of the enterprises were proprietary concerns and produced industrial and intermediary goods and services.

To conclude, the empirical evidences indicate that there is a need for institutional support system for fostering entrepreneurship development, but the system is writ large with many deficiencies. As a result, the present

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support system has become highly ineffective, even though it is highly relevant even to this day.

(iii) Managerial Strategies:

The present theory of entrepreneurship rests on the postulate that entrepreneurship development should focus on developing managerial strategies in entrepreneurs by the support system without regard to the social structure. The essence of management strategies is clearly visualized by Chandler [1962] in these words “The determination of basic long term goals and objectives of an enterprise and adoption of course of action and allocation of resources necessary to carry out these goals.” Manimala [1999] identifies the following components of managerial strategies to be inculcated in entrepreneurs: idea search; marketing; technology management; management of autonomy, competition management; growth management; people management; risk management; and networking.

The studies by Brush [1992] and Smeltzer et al. [1991] highlighted that entrepreneurs were constantly on the lookout for new ideas noted and the search for new ideas for information was hardly formalized in entrepreneurial ventures.

Avoiding competition whenever possible by introducing new products and new markets, creating niches for oneself, adopting forward integration and backward integration along with strategic orientation constitute an effective marketing strategy. Further, launching new products on a trial basis, receiving feedback and then slowly widening the market the entrepreneur lays the foundation for successful operations. He has to

100Manimala [1999].
introduce new brands only after establishing one's credibility. He has to establish customer loyalty especially through quality and reliability of products and services; and he is also required to have an extraordinary concern for the customer through long, prompt and reliable after-sales services, educating customers and involving them in decision-making. It appears that marketing innovations are so critical to the survival of business. This is also borne out in the studies by Miles and Arnold [1991]; Weinrauch, et.al., [1991]; Hisrich [1992]; Smart, and Conant [1994] and they have shown that marketing orientation is an integral part of entrepreneurial orientation.

Entrepreneurs should be versatile in technology management. This is relevant even for micro enterprises. In this regard, Stades pointed out that low productivity in India could be improved by simple means and without mechanization, taking to consideration the special relationship between wages and equipment costs in India.


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were generally observed to be high on desire for autonomy. They safeguarded management autonomy through choice of compatible partners; by manipulation of external environment and legal loopholes; by appointing experts; by observing other's projects; by reading journals; by doing experiments and taking up challenging jobs; by building capabilities and resource base before seeking technical collaboration or financial participation so as to be able to secure better terms; and by giving greater preference for internal resources and for external resources with limited future commitment or debt obligation.

Making entry into the market against stiff competition is the first and most critical phase in the management of competition. The common strategies for gaining entry into the market, such as working as subcontractors for established firm, concentrating on neglected segments, exploiting other's weakness etc., are used by entrepreneurs in general. The strategy is to compete by creating a niche for oneself in the existing market and the major tool of competition management is customer orientation. According to Kirzer [1973], the successful units built credibility through customer service, public relations, direct and indirect advertisements and through association with reputed persons, firms and government bodies.

The desire to make it big is a common motive. Entrepreneurs prefer to have organic growth. They undertake feasibility of new ideas before investing heavily on them. They often start modestly with rented facilities, improvised plant and machinery and building, etc. They would depend, on the internal impulse for internal growth but would go for acquisitions and mergers later. But recent studies by Lorenzoni, and Ornati [1988]; Jorillo, [1989]; Eisenhardt and Schoonhoven


Entrepreneurs look for ideas from all sources and consult experts and effective parties, in addition to their routine advisers. They show more faith in experts and those who actually do the work. Therefore, they tend to choose their partners and employees on the basis of their qualifications, interests and resources. As McGregor [1960] points out, they grow greater degrees of theory ‘Y’ orientation and paternalism. Besides, they are willing to share gains and information with all concerned, including partners, employees, dealers, customers etc. they give importance to professional qualification and technical analyses.

Once the unit is firmly established, entrepreneurs are quick to spread the risk on several units. They reduce the risk of failure due to spreading of resources too thinly. And they also reduce the risk of failure due to unique circumstances of a particular unit. Entrepreneurs use both depending on the phase of growth. They try to reduce risks by securing bulk business, by

spreading risks to several stakeholders, by availing of Government protection, and sometimes waiting for adverse circumstances to change. They are more inclined to test the outcome before they venture out, collect information and take calculated risks. These strategies have been extensively dealt in the studies of Khandwala [1976, 123 and 1977124], Mintzberg [1973], 125 and Thune and House [1970].126

Developing a network of influence around the organization is considered as an essential requirement for entrepreneurial success by most of entrepreneurs. Researchers such as Macmillan [1983]; 127 Birley [1985]; 128 Aldrich, and Zimmer [1986]; 129 Lorenzoni and Ornati [1988]; 130 Jarillo, [1989]; 131 Szarka, [1990]; 132 Dubini, and Aldrich, [1991]; 133 Larson, [1992]; 134 Tjosvold and Weicker [1993]; 135 Lipparini, and Sobrero [1994]; 136 and Manimala [1997] 137 and found that entrepreneurs, specially the more

innovative ones developed and used personal as well as professional networks for variety of purposes such as crystallizing project ideas, developing expertise, raising funds, organizing initial production and marketing, building corporate image, managing growth and so on. The common strategies included joining professional bodies and hobby clubs, exploiting caste/community ties, creating ancillaries and vendor units, etc. In addition to these, they also tried other methods, such as doing honorary service on public bodies, involving themselves in activities of public interest, keeping alive casual contacts and using them in the hour of need, inducting reputed and influential people on company board, offering support (even financially) to friendly concerns, etc. Thus, they employed wider variety of networking strategies. Besides, they took initiative in common crisis, rather than waiting for others to take the lead, or for the crisis to resolve itself.

To conclude, it is poor management, which is at the root of most of the operating problems of small business. However, the need for small industry management improvement is not limited to India or for that matter any other less developed country. According to Singh [1990], a survey in the USA in 1953 also revealed that 89 per cent of small business failures were due to management deficiencies. In any case, management in small business is inherently more difficult and demanding and hence more susceptible to failure. The typical small entrepreneur lacks broad well-grounded experience desirable in modern business. In most cases, the business started by person experienced in one function, usually either in production or in selling he is likely to neglect other functions like maintaining personnel relations, accounting and finance. It is obviously impossible for one or two persons to be experts in all of them. Nor can a small unit hire a specialist for each function. The small entrepreneur has to be well acquainted with the management essentials of various lines – production, marketing, finance and management. Failure in any one of these affects the small unit adversely, the small entrepreneur does not recognize the

difference between personal and delegated management. The fear is that when he delegates authority to assistants, he loses direct contact with the day-to-day operations of the firm. So, entrepreneur continuously requires upgradation of his managerial skills and this becomes more essential in view of changing business environment, technologies and labour relations in our country.

MODELS OF ENTREPRENEURSHIP DEVELOPMENT

In the background of emphasis on managerial strategies, several researchers have developed the models for entrepreneurship development. A brief explanation of these models has been presented below.

Amostuck School of Business Management [1969] presented a model, which envisaged the growth of entrepreneurship in manufacturing units in many stages viz., (i) perception of opportunities to set up a unit; (ii) idea projection; (iii) assembling usable power; (iv) creation of an organization i.e., transfer of organizational decision making from one person or group of persons to another; and (v) adaptive organization, i.e., adjusting the organization to the existing milieu after it has been properly routed. It proposed to study the effect of ethnic group, caste, class, social values, national goals and public policies at different stages.

Rao [1975] advocated a five stage entrepreneurial training model. First was the 'Stimulation Stage,' which included the creation of industrial atmosphere, policy statements on the role of small entrepreneurs, announcement of special schemes, and creation of support system. The second was the 'Identification State' within which prospective entrepreneurs in various groups' namely rural artisans, factory workers, persons who had formal training in technical areas and the graduates in business

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administration and management are identified. The third stage being ‘Development and Administration’ covered motivation and managerial training programmes to help in venture initiation. Fourth stage was ‘Promotion State’ and it consisted of establishment of various supporting institutions to arrange necessary developmental facilities, services and generate more useful strategies with a view to effectively implement them.

The training model developed by Pareek and Nadkarni [1978] consisted of three stages: identity search, identity formation and identity establishment. The philosophy behind their model of entrepreneurship development is nothing but transformation of a person to acquire a new identity as entrepreneurs. An individual in search of an identity goes through a process of identity formation. The changes brought about in this process are not considered to be momentary or in a particular area alone, but it is expected to be pervasive in its effect on the total personality of the individual. So the identity formation, made through the acquisition a new identity, gets established and reflected in entrepreneurial pursuits.

Sharma [1978] surveyed 245 small entrepreneurs from Punjab and Uttar Pradesh and tested a model for entrepreneurial development. His model envisaged the process of entrepreneurship development with four stages, viz., entry, expansion, perception of stability and commitment to sustained growth. He concluded that the role of government policies and their implementation were crucial to sustain the interest of entrepreneurs in the continuous expansion of business.

Bhattacharyya [1979] evolved a model for entrepreneurship development. He opined that it was necessary to develop motivational needs complementary to the need for achievement in an entrepreneur. He

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suggested that it was possible to determine the degree of need for power, need for affiliation and need for achievement of a potential entrepreneur with the help of the model. He viewed that suitable training inputs could be provided to increase the above variables.

Akhouri [1980] suggested the following activities for the promotion and development of entrepreneurship; (i) stimulatory; (ii) support; and (iii) sustaining activities. The stimulatory activity referred to all such activities that stimulate entrepreneurship in any society. The support activity referred to all such activities that helped entrepreneurs in establishing and running their enterprise and the sustaining activities to those that helped in continued efficient and profitable functioning of an enterprise.

Heggade [1981] suggested that entrepreneurship among women could be developed through encouraging self-employment and by organizing women's co-operatives. He suggested that the educational system should be modified to create increasingly diversified skills among women folk and that a separate policy should be formulated for promoting entrepreneurship among women.

Sadhak [1989] put forward a Resource Linked Integrated Model. The contention of this model was that while initiating entrepreneurship development, local conditions like socio-economic situation, local social, political and economic institutions, locally available manpower and above all, natural resources should be taken into account so that the trained entrepreneurs would be capable of exploiting local resources. He also suggested that separate EDP institutes for backward and non-backward areas should be developed.

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Bhattacharya [1983] suggested that entrepreneurship development efforts should include both long term and short-term programmes. The broad guidelines of his model are given below: (i) The long-term programme lays emphasis on factors such as adoption of child rearing practices, which inculcate independence in taking decisions, intelligence, tact and initiative; (ii) There is a need for reorienting the contents of primary school text books to instill a high achievement motivation in children and assurance of social recognition and reward for entrepreneurship; and (iii) The measures to be implemented in the short-term programme include the promotion of institutional entrepreneurship.

Gosavi [1986] made an attempt to restructure the present education system to inculcate entrepreneurial traits in school education. The main features of the model are: (i) There must be a comprehensive restructuring of the present curricula, text books, teacher capabilities and teaching methods to reorient these to accommodate entrepreneurial objectives; (ii) Special curricula should inculcate entrepreneurial attitudes such as perceptibility, creativity and achievement motivation; and (iii) The colleges and universities should have specially structured courses that are capable of producing values and skills to start entrepreneurial careers as entrepreneurs, entrepreneurial managers or entrepreneurial bureaucrats.

Srivatsava et.al. [1988] visualized two stages for entrepreneurship development model viz., horizontal model and vertical model. The horizontal model suggests the setting up of a central agency, the District Entrepreneurial Centre, to make a comprehensive study of business

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potential of that area. This agency would also make an estimate of financial and institutional requirements of prospective entrepreneurs. It also prescribes a detailed study of technological set-up of production system to facilitate the division of it into separate sub-systems to cater to the needs of the core system of production. Smaller units may be established for each sub-systems of production. Vertical model prescribes a pattern of a big mother industry and the feeder units. However, within this system, all the feeder units are centres of production, and supply their output to mother industry.

The model conceptualized by Sahney [1989]\textsuperscript{150} related to women entrepreneurship development. He observed that women possessed many traits required for entrepreneurial success, like sense of responsibility, devotion of duty, sincerity of purpose, determination and capability of hard work, what they lack is the opportunity. Hence he suggested that steps should be taken to boost entrepreneurship among women by establishing Women’s Wings in the District Industries Centres and publicity in government owned electronic media should be given in support of inculcating entrepreneurship in Indian women.

Selvam [1990]\textsuperscript{151} suggested a conceptual model, which envisaged that entrepreneurship education should be made a part of the curriculum. The main features of the model include: (i) The process of education should be such that it facilitates learning and helped in converting what is learned into a tool of action; (ii) Such an education results in entrepreneurial traits that could be acquired if entrepreneurial attitude is present in an individual; and (iii) Such an attitude, when encountered with positive social and economic factors, culminates in an entrepreneurial culture, spread of entrepreneurial culture among all sections of the society leading to formation

\textsuperscript{151}Selvam, M., [1990]. Expanding Entrepreneurial Base, Laghu Udyog Samachar, Vol. 15, No.4, pp. 3-8.
of an entrepreneurial society, wherein there are adequate entrepreneurs and also all required infrastructural facilities.

Akhouri and Mishra [1990]\textsuperscript{152} suggested that entrepreneurial education should become a part of school curriculum so that entrepreneurial culture, including values, attitudes, motivation and competencies could be infused among the people at an early stage in their lives and suggested a two-stage model. In the early stage of education, the entrepreneurship education containing more inputs related to entrepreneurial spirit, comparatively moderate inputs of motivation and very little inputs for competencies in the beginning years of school life should be given to germinate entrepreneurial culture. In the higher secondary stage, the maximum inputs related to competencies might be offered, followed by moderate stressing on motivation and comparatively much less coverage of entrepreneurial spirit.

Wood and Young [1993]\textsuperscript{153} analyzed the type of education that was needed for successful entrepreneurship. They surveyed 100 of the most successful entrepreneurs and executives in business world to determine when, how and in what areas an entrepreneur needed to be educated. The survey revealed the importance of entrepreneurial education at an early stage of student's curriculum. Further, they emphasized that importance of creativity was not included in the present curriculum.

To conclude, the models of entrepreneurship development highlight the lack of entrepreneurial content of Indian education at different levels. These models envisage the imparting of entrepreneurial spirit in and adoption by Indian youth.


ENTREPRENEURIAL PERFORMANCE

The social structure and the effectiveness of support system, managerial strategies and models of entrepreneurship development find their expression in performance, which is defined by Massie and Douglas [1975]¹⁵⁴ in these words “Performance...is the behaviour that the person selects to meet his personal goals, goals which he deems important to move toward.” Hence the review of literature on the entrepreneurial performance has been presented below from the viewpoint of factors influencing success or failure of entrepreneurs.

McCracy [1956]¹⁵⁵ made case studies of 17 small-scale firms in Uttar Pradesh and focused his attention on the craftsmen entrepreneurs whom he regarded as a needed source of good industrial entrepreneurship. He analyzed the reasons for the high mortality rate and lack of growth of their firms and made some policy recommendations for providing them an opportunity to grow especially through provision of capital and the major cause was attributed to the low managerial competence.

Alexander [1961]¹⁵⁶ conducted a study of 354 Greek industrialists, pertaining to the supply of entrepreneurs, and the nature of their policies. He identified the following factors like high cost of production, inability to tackle problems efficiently, unsympathetic attitude towards workers, reluctance to share ownership with others, lack of proper educational base as the causes for low success rate of Greek entrepreneurs.

Carroll [1965],¹⁵⁷ in his survey of 92 industrial entrepreneurs in the Philippians, identified the causes for the entrepreneurs originating disproportionately from big cities. He also found that their culture contributed

to entrepreneurial success. Further, he observed that there was a very impressive amount of mobility in the family of entrepreneurs.

The government plays a major role in the success of managerial performance. By creating basic facilities, utilities and services and also by providing incentives and concessions, the government is said to provide the prospective entrepreneurs a facilitative socioeconomic setting. Such actions seem to be conducive to the entrepreneurial growth. However, Medhora [1965] concluded that the late inception of entrepreneurial motivation was due to the non-commitment of political structure.

The UNESCO study [1966] on small-scale entrepreneurs indicated that the units set up by artisans progressed more than those set up by traders because the former had fewer problems of market, competition and raw materials.

Sharma [1967] reported that exposure to new ideas and opportunities were the common factors that explained the emergence and success of entrepreneurs.


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163Yamamura, Kozo., [1968].
to him, a strong sense of discipline inherited from the feudal period, loyalty, public-mindedness and national unity coupled with a high degree of diligence and intelligence made the Japanese entrepreneur distinguishable from others.

Harris [1971] conducted a study of 269 Nigerian entrepreneurs engaged in different industrial activities. He observed that Nigerian entrepreneurs were almost successful in identifying opportunities and gaining command over resources, but they were relatively unsuccessful in the management of enterprises.

Lamont [1972] advocated that the individuals with prior entrepreneurial experience had greater chances of success because of the effect of learning and adaptation on entrepreneurial performance.

Pathak [1972] selected 12 units in different lines of manufacture and studied their problems at three levels of entrepreneurial development, viz., inception, operation and expansion. He observed positive association between these stages and the levels of education. He also observed the positive relationships between entrepreneurial success and the role of other essential factors such as network of relations and finance.

Numerous attempts have been made by social scientists to trace the characteristics associated with entrepreneurial success. A review of literature on successful entrepreneurship confirms the contention that the entrepreneurial characteristics associated with success level are not universal. They are not guided by any set of formulae or laws. However,

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research on the subject by Hornaday and Aboud [1971]; Subramanian [1971]; Gokaran [1973]; Choudary [1981]; Reddy and Sobha [1985] revealed that personality, culture and other local factors were prominently interrelated with success level.

Patel and Srivastav [1978] pointed out the extent to which entrepreneurial and managerial capabilities could really explain and contribute to the success or failure of small enterprises. The data were collected from 83 small units in Gujarat. The study concluded that emphasis had to be laid upon assessing and strengthening the managerial abilities of entrepreneurs to improve the performance.

Sharma [1978] conducted a study in the North Eastern region to know the profile of small entrepreneurs. It was observed that successful entrepreneurs were younger in age, with previous experience in artisanship or of business and trade or in government service. It was also observed that the entrepreneurs had links with government officials/experts and a moderate degree of social participation.

Reddy and Murthy [1979] studied 18 units in Anantapur District of Andhra Pradesh. The study revealed that an entrepreneur’s family and educational background did not contribute significantly to the success of the entrepreneur.

Narayana and Venkatachalam [1979]\textsuperscript{176} found positive correlation between motivation and stress among entrepreneurs, and negative correlation between goals and job satisfaction among workers.

Mashuiddin [1980]\textsuperscript{177} conducted a study to understand the personality difference between successful and unsuccessful entrepreneurs. The engineer-technocrats of industrial estates established under the self-employment scheme launched by the Government of India in the year 1970 were chosen for the purpose of the study. From the total of 100 entrepreneurs, a sample of 30 successful and 30 unsuccessful entrepreneurs were selected. She observed that personality was an important factor besides economic insight and managerial efficiency in influencing entrepreneurial success. She concluded that entrepreneurs of more sociable, emotional and assertive nature were likely to be successful.

The study by Sobha Rani [1983]\textsuperscript{178} highlighted factors influencing an individual to take up entrepreneurial activity, encouraging and discouraging factors in starting a small scale unit, the role played by financial and non-financial institutions or organizations in setting up a unit and socio-economic factors associated with the success of small entrepreneurs and the source of data was collected from 105 small entrepreneurs in the Kurnool district of Andhra Pradesh.

Upadhye [1983]\textsuperscript{179} observed that the success of entrepreneurs was due to incentives offered by development agencies, family environment and formal education.

\textsuperscript{176}Narayana., and Venkatachalam [1979]. Organizing Characteristics and Job Reactions Among Small Hosiery Units in Coimbatore, SEDME, March 1979.
Similarly, failure factors were identified in the studies of Vesper [1983] and Woodruff and Alexander [1958]. Failure factors identified were far too many, but most of them could be stated as the deficiency of success factors, such as lack of technical skills, lack of market knowledge, lack of resources, inability to delegate and so forth.

Even Borooah [1980] pointed out the reasons for sluggish growth in small-scale units. He revealed that lack of up-to-date marketing practices and deficiencies in entrepreneurial zeal were the major causes of sluggish growth.

According to Zafar [1984], entrepreneurial success was attributed to decentralized management practices, dispersal of location, family support, competitive spirit and change in motives from profit to patriotism and independence were responsible for the success of the entrepreneurs. He also noticed that education is modernizing factor of the Pakistani entrepreneurs and the occupational representation in entrepreneurship was growing. Family background, caste factor and educational background were found to have no effect on the success of managerial performance of the small units.

Failure is a stepping stone for success. The initial attempt made by the entrepreneur does not always result in success. He has to try and try again till his goal is reached. According to Maidique and Zirger [1985],

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183 Altaf, Zafar., [1984].
even if prior attempts by entrepreneurs are failures, the learning acquired by the individuals can contribute to the success of their future ventures.

Reddy and Sobha [1985][185] attempted to understand the success parameters of small enterprise through a survey of 105 small industrial units from the chemicals, minerals, metals, forests, agriculture and engineering sectors. Having defined four stages of success of the enterprise in terms of net income earned or capacity utilization, the authors found that the entrepreneur's education or family background, previous experience, or life spent in urban areas had no significant influence on the fortunes of the enterprise. Entrepreneurs from a higher age group and from partnership and limited company concerns performed better.

Deivasenapathy [1986][186] made an attempt to identify the influence of education, family background, family support and previous job experience on entrepreneurial success. Forty-five entrepreneurs of sick units and 53 entrepreneurs of successful units, form the sample of the study. The following findings were drawn from the study: (i) education level and family background of the entrepreneurs did not influence the entrepreneurial success; and (ii) family support and previous job experience influenced the entrepreneurial success.

Bhanushali [1987][187] studied 900 engineering units in Kolhapur city and held that growth of entrepreneurship in engineering industry was a mixture of different influences. Entrepreneurs from minority communities with the higher education proved to be successful. And also the caste, education and parental occupations were considered as influencing factors on entrepreneurial performance.

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Mohan and Rao [1987]\textsuperscript{188} made a study in Ananthapur district of Andhra Pradesh. The objective of this study was to know how far the factors like age, education, caste, occupational background, previous experience and location of units influenced the success of entrepreneurship. The data was collected through structured schedule and chi-square test was used for analyzing the data. It was observed that the above said factors did not influence the success in grass-root entrepreneurship.

The study by Egge [1987]\textsuperscript{189} revealed that entrepreneurs were over-optimistic about their prospects. According to him, entrepreneurs were over-optimistic about their own future prospects. Nearly, 55.00 per cent of sample agreed in retrospect that they experience less success and 74.00 per cent agree that they could attain only a lower standard of living than they had anticipated at the time of start-up. Several factors contributed to managerial and entrepreneurial success.

Vesper [1980]\textsuperscript{190} identified five key ingredients for entrepreneurial success namely, technical know-how, product/service idea, personal contacts, physical resources and customer orders.

Oates [1987]\textsuperscript{191} observed that every small industry entrepreneur must find his route to success, as there was no guaranteed formula for survival and growth. In his view, the chances of survival would be much greater, if the entrepreneur was aware of the pitfalls that lied ahead and was prepared to tackle them in a rational manner.


Kaptan [1987]\(^{192}\) conducted a study in Amravathi city in Maharashtra to find out the validity of entrepreneurial success influenced by various personal attributes present or absent in an entrepreneur. A sample of 61 small units was selected consisting of 43 healthy units and 18 sick units. The following observations were made from the study: (i) personal variables played a dominant role in the success of an enterprise; (ii) dedication and commitment was necessary to face critical situations in business and to overcome crisis period; and (iii) parental background and assistance had little influence on the success or failure, whereas previous job experience, community background and education had positive influence on entrepreneurial success.

The study by Sharma [1988]\(^{193}\) focused on the various dimensions of development of entrepreneurship in India. It was observed that socioeconomic environment influenced the development of entrepreneurship. It was also observed that apart from the facilities provided by the government like establishment of organizations to assist new and small entrepreneurs, liberalization of industrial policy, licensing policy, development of training schemes, the entrepreneurial traits had to be developed for the success of entrepreneurship.

Pawar [1988]\(^{194}\) conducted a survey of 34 entrepreneurs of mini-industrial estates located in Marathwada district of Maharashtra. The success of these entrepreneurs was measured at three levels such as successful, partly successful and not successful. According to the field survey 29.00 percent of entrepreneurs were successful, 3.00 per cent of the entrepreneurs, were partly successful and remaining 68 per cent entrepreneurs, were not successful. About the successful entrepreneurs, the


\(^{194}\)Pawar, R.S., [1990]. *Entrepreneurship Development in Mini-Industrial Estates (MIEs) of Maratwada*, in Uddin et.al., [ed.], pp. 111-125.
special enquiries were made and the following significant facts were noticed: (i) the successful entrepreneurs had trading background; (ii) The education level was not a factor contributing to the success for them; (iii) Most of these entrepreneurs were from the trading castes like Marwaris; (iv) Many of them had a social influence and pre-established trading relations; (v) Size of employment in the successful enterprises was not found more than one or two; and (vi) The use of family members in business was widely noticed.

Bhatia and Sharma [1989] observed that the entrepreneurs in low investment group were found to be more successful than those in other groups.

Lenz and Laband [1990] focused on the benefits of exposing children to their parent's business enterprises. The authors examined the transfer of non-human capital across family generations and discussed the implications for career development and the success of proprietors, who followed their parents' footsteps. Their hypothesis was tested through empirical study by selecting samples of retail manufacturing, banking and finance and service sector proprietors. They concluded that the children directly associated with their parents business succeeded more than those who did not have any association with their parents' business.

Ahmad [1990] analyzed about the essentials of successful entrepreneurship in small-scale industry in India. The major findings of the study were: (i) Small-scale entrepreneurs were lacking in managerial skills. (ii) The various training institutes provided training for small-scale entrepreneurs but theoretical knowledge provided by trainers had little use in practice. The major suggestions to make entrepreneurs successful were that

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195 Bhatia and Sharma [1989].
196 Lenz, Bernard F., and David N. Laband [1990]. *Entrepreneurial Success and Occupational Inheritance Among Proprietors*, Canadian Journal of Economics (August), Journals Department; University of Toronto Press; 5201 Dufferin Street; Downsview, Ontario Canada M3H 5T8, CELCEE NUMBER c 970945.
(i) The small entrepreneurs should have more competitive strength by following scientific methods of management; (ii) Entrepreneurs should adopt innovative methods of production in order to reduce cost, increase sales and upgrade quality.

Sankar et al. [1994] conducted a study in the districts of West Bengal with the following objectives: [a] to examine the differences among the entrepreneurs in terms of success; [b] to compare the n-Ach of highly successful, moderately successful and unsuccessful entrepreneurs; and [c] to ascertain the relationship between n-Ach and entrepreneurial success. The hypotheses of the study were: [a] difference prevailed among the three groups of entrepreneurs i.e. highly successful (HS) moderately successful (MS), and unsuccessful (US) with respect to the entrepreneurial success score; and (b) HS, MS and US entrepreneurs differed with respect to need for achievement. A sample of 203 entrepreneurs was selected out of which 97 entrepreneurs were engaged in oil ghani and 106 entrepreneurs were engaged in bee-keeping. Ratio analysis was used for analyzing the data. It was found that there was a positive relationship between n-achievement and entrepreneurial success. The findings suggested that a highly successful entrepreneur with high n-ach can assume greater responsibility and more control over his work environment. The high achievers were more concerned about their subordinates and optimistic about their ventures. The moderate achievers showed high concern for production and low concern for people and low achievers were more concerned with self-preservation and did not care about people and production. There was a positive relationship between good decision making and the ability of information assimilation leading to a high rate of success.

Kelmar and Wingham [1995] analyzed the determinants of success strategies for small enterprises. The success factors of a firm were broadly grouped into three types, viz., firm characteristics, firm competencies and export strategies. It was observed that the entrepreneurial traits were the strong factors in developing the successful firms.

While analyzing the critical success factors of South Pacific entrepreneurs, Yusuf [1995] identified good management, satisfactory government support, marketing factors and overseas exposure as the factors influencing the success of an enterprise and he emphasized the positive role of government support.

The managerial performance of small units is an important determinant in its future innovative effort, because poor managerial performance forces the small units to take risk and uncertainty of innovation. Cash et al. [1996] concluded that innovation significantly reduced the probability of small units’ failure and increased the probability of acquisition.

Mrs. Sundaram [1997] examined the basic qualities required for the successful entrepreneur in rural industry. The qualities like zeal, hardwork, managerial capabilities, decentralized management practices, market knowledge and research aptitude contributed to the success of small business units. She concluded that the qualities of entrepreneurship could

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be built through proper training programme conducted by the All-India Promotional Agencies of Rural Industries.

The study by Kumar [1998] evaluated the performance of small-scale entrepreneurs in Mahaboobnagar district of Andhra Pradesh. The major findings of the study were: (i) the entrepreneurs who were migrated from the other districts of Andhra Pradesh performed better than the natives; (ii) the analysis contradicted the generally held notion that the sons of businessmen and industrialists fared better than the others; (iii) the technical education alone did not help one to achieve success in a venture; and (iv) the entrepreneurs without previous experience performed well. The following were the suggestions: (a) there was a need to nurture and develop entrepreneurial culture which called for involvement, interaction of different organizations and attitudinal changes in the society; (b) there was a linkage between agriculture and industry, and also between large, medium and small industry. And hence, small scale industry cannot be developed without also developing large and medium industries and agriculture; (c) there was a need to cultivate managerial skill besides entrepreneurial skills; and (d) the previous experience, family background and education had little impact on entrepreneurial success and it was the inner drive and need for achievement that led to the development and success of an entrepreneur.

Kazmi [1999] observed that the success that many leaders of small business was the result of some fortune, but it was also largely a product of a lot of hard work in implementing sound managerial practices. It was also observed that hard work was the critical factor for the majority of the entrepreneurs to be successful, but they had hardly any business or traditional background.

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Khajuria and Sinha [2000] investigated and identified entrepreneurial personality characteristics of successful women entrepreneurs in the state of Jammu and Kashmir. A sample of 36 women entrepreneurs who were successful was chosen for the study. Most of the women were first generation entrepreneurs and the main reason for entrepreneurial option was to remain busy. It was observed that women showed perfection in achieving the quality of the products and services and established their business well. It was found that the prerequisites for successful entrepreneurship among women were commitment, good marketing strategy, adequate expert knowledge and adequate resources.

To conclude, the studies of success and failure factors do not converge into meaningful patterns. According to Timmons [1982], there are large variations in the context, assumptions and emphasis of these studies on entrepreneurial performance. So, there is no standard route or formula for success. Every entrepreneur has to find his own way for success. In other words, failures have only one route but success has many routes.

ENTREPRENEURSHIP TRAINING AND DEVELOPMENT

The models of entrepreneurship development basically stress the training of entrepreneurs. As a result, a large network of institutions has been imparting training to prospective entrepreneurs. The effectiveness of such programmes has been empirically tested and the review covers the most important empirical evidences.

Cochran [1959] studied two groups of older and younger generations of the Puerto Rican businessmen of American entrepreneurs.

The study revealed the possibility of a large and well-established firm acting as a favourable training ground for future entrepreneurs.

Harris and Rowe [1970]\(^\text{208}\) listed impediments to entrepreneurial development in Africa, such as the difference between the social world in which an entrepreneur lives and the economic world in which he has to operate,\(^\text{209}\) undeveloped, uninstitutionalized ways of gaining knowledge, recruiting skills and borrowing money; absence of commercial experience, lack of inter-regional mobility; oligopolistic market conditions,\(^\text{210}\) scarcity of viable projects,\(^\text{211}\) absence of business environment,\(^\text{212}\) management deficiency, poor standard of financial management and little propensity to innovate.\(^\text{213}\)

The study of Gaikwad et.al. [1974]\(^\text{214}\) evaluated effectiveness of inputs, training pedagogy and faculty, organization structure of the Cell conducting EDPs and it was found that the training was ineffective and irrelevant. However, the study did not throw any light on number of ventures set up by the trainees and its performance and its sustainability over a period of time.

Hariss [1979]\(^\text{215}\) conducted a study in Nigeria of 250 private firms in saw milling, furniture making, printing, rubber processing, garment making and other urban-based industries. He observed that entrepreneurial


\(^{\text{213}}\)John, Harris R., [1970].


development depended on several factors such as education, work experience, technical information, profitability, access to capital and management.

Chopra [1973]\(^{216}\) drew attention to the motivational concept in entrepreneurial development. He observed that one of the most essential prerequisites for the entrepreneurial development among non-traditional businessmen was the identification of "man." He was of the opinion that the motivational training helped in changing the response of an individual so that he could react with confidence to the existing economic situation. He felt that an entrepreneurship-oriented education at the grass-root level was a must to motivate the prospective entrepreneurs. He came to the conclusion that prospective entrepreneurs must be guided and training must be provided.

SIET [1974]\(^{217}\) studied small units in Hyderabad and Secunderabad. The study revealed that 'economic gain' was the most important reason for starting the small industrial units followed by 'ambition', 'social prestige' and 'social responsibility'. The study found "capital shortages" and "government red-tape" as the most discouraging factors for the development of entrepreneurship. The study also found that younger age, formal education, urban background, experience in industry, high scores in levels of aspirations, risk taking and adoption intensity were some of the characteristics that were positively associated with the quality of entrepreneurship. But factors like technical education, high monthly income, being eldest among the male children, contacts with influential people, membership of organization and need of achievement were not associated with entrepreneurship.


\(^{217}\)Small Industries Extension Training (SIET), [1974]. *Socio-psychological Factors Influencing the Adoption of the Innovation of Starting a Small Industry Unit*, SIET Hyderabad, pp. 4-15.
Raman [1976]\(^{218}\) studied the self-employment promotion programmes for educated unemployed in Bidar district initiated by Government of Karnataka in collaboration with SIET. The evaluation study was carried out with the following objectives: (i) to examine how far the programme of training for prospective entrepreneurs was successful in motivating the trainees to become self-employed; (ii) to identify the specific difficulties and problems faced by prospective and successful entrepreneurs; and (iii) role of the industries department, banks and financial institutions, and other agencies like the electricity board. The sample respondents were selected from the training programme conducted during 1975 in two phases covering eleven districts in the first phase and eight districts in the second phase. Out of 107 candidates selected, 95 respondents completed the training. After the completion of the training 52 trainees made no attempt out of which 9 continued their studies and another 15 sought employment. The remaining 42 candidates made specific attempts to start their ventures. Out of them, 17 trainees succeeded in starting their own units. It was found that timely seed money was not given by the Department of Industries and this was the main factor of failure to take up of new ventures by the trainees.

Srivastava [1981]\(^{219}\) emphasized the importance of special training programmes for the development of entrepreneurship among women. It was found that the development of entrepreneurship among women and other weaker sections of the community depended upon special programmes and government support.


The study by Prasad [1982] focused on the strategies to strengthen the present DICs. From this viewpoint, he has offered the following suggestions: (a) if the DIC has to make an impact in rural and semi-urban areas, it is to be strengthened at the lowest level by establishing an agency like the Block Industries Centre, which should take care of the overall developmental aspects at the block level; (b) there should be an integration of the working of DICs with the schemes like Twenty-point Economic Programme and Janatha Housing so that village industries may be established under the roofs of the beneficiaries themselves; (c) from the viewpoint of artisans, the credit should comprise of both production and consumption credit, if the artisanship is to succeed; and (d) the training programme should be extended to the officials of the DICs for their effective working.

A study conducted by the Centre for Entrepreneurship Development, Ahmedabad [1984] identified the constraints of women entrepreneurs such as traditional values, social and family responsibilities, lack of confidence in dealing with various institutions, problems of obtaining finance and technical know-how and inability to migrate to places offering better infrastructural facilities. The Centre found in the course of conducting EDPs that the training helped women to overcome the above said barriers.

Manorama [1985] stressed the role of Non-Government Organization (NGOs) in promoting entrepreneurship among women. She suggested a few steps to be taken up by the NGOs regarding ensuring a voice for women entrepreneurs in the decision making and planning process, collection of data on women entrepreneurs, organizing workshops, seminars, training programmes, exhibitions and buyer-seller meets.

Rao [1986] conducted a study of entrepreneurs operating in Indian industrial estates with special reference to coastal regions of Andhra Pradesh. For the purpose of study, he selected 87 entrepreneurs operating in 13 estates of coastal Andhra Pradesh. The main objective of the study was to measure the impact of industrial estates on entrepreneurship. It was evidenced that the emergence of entrepreneurship in industrial estates had been marginal and the spread of entrepreneurship could cover only a few socio-economic classes and the estates helped mostly the local entrepreneurs. However, with the advent of the estates, a new sense of awareness about the virtues of self-employment was created among the entrepreneurs.

The Economic Research Department of State Bank of India [1987] conducted an evaluation study of its EDPs. The main objective of the study was to assess the overall success of these EDPs in developing entrepreneurs in the country. The scope of the study was limited to EDPs conducted as per the SBI training methodology. Out of 65 EDPs, 19 (29 percent) EDPs conducted by the bank were selected for the study. The evaluation was made after two years of gestation period. Out of these 19 EDPs, 457 candidates were trained and only 169 started the ventures. A sample of 98 starters out of 169 and 121 non-starters out of 288 were selected for the sample. It was observed that new venture funding, poor follow-up, inadequate opportunity identification and guidance were some of the major weaknesses associated with these EDPs.

Kumpatala [1987] conducted a study to examine whether the district industries centre and other sectoral departments were able to meet

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their stated objectives of providing training, credit, marketing and general guidance to the beneficiaries under TRYSEM. The main findings of the study were that (i) the training programme was too brief and duration was too short leading to no practical utility but involving the eligibility for loan facility; (ii) timely loan was not available; (iii) there was very little demand in the local market for products; (iv) the loan recovery was too low; and (v) the training imparted by the DIC and the Block development office to fulfill the targets and these institutions had no contribution towards motivating beneficiaries.

Chakravarthy [1987]226 was of the opinion that training programme should be designed to help the participants: (i) to improve achievement motivation and other entrepreneurial qualities; (ii) to get familiarized with the policies, programmes and patterns of assistance for development of small industries; (iii) to develop the skills required for project identification, formulation and appraisal; and (iv) develop simple management techniques necessary for running a small industry.

Giriappa [1988]227 undertook an evaluation study in Dakshina Kannada district of Karnataka to assess the contribution of Self-employed and Educated Unemployed Youth (SEEUY) scheme towards industrial development with the specific objectives of studying the nature of self-employment, performance of the units and the analysis of problems. The sample of 400 units accounting for 12 per cent of total beneficiaries during 1983-1986 was selected. The study showed that at the break even point, about 23.00 per cent of SEEUY beneficiaries suffered poor and inadequate income realization. Infrastructure, finance, marketing and linkage problems were responsible for unsuccessful performance of the units that resulted in misutilization of loans and defaulters.

Rao and Reddy [1988] conducted a study with the following objectives: (a) to find out how skills were acquired by workers in small units; and (b) to find out the training facilities available in the small-scale sector. The study was based on the hypothesis that the small-scale industrialists accorded low priority to the function of training and their limited resources did not permit them to organize training in a systematic manner and in the name of training, they sometimes exploited the weakest (workers) and deceived the strongest (government). For the purpose of study, 98 small-scale units of Kurnool district and 212 workers were selected. The following were the observations made from the study: (a) training in small scale industries was through apprenticeship; (b) a beginner was required to work under the guidance of a skilled worker; (c) no organized schemes were run by small scale industries to train outsiders; (d) training provided was informal; and (e) traditional artisan communities had the background of skill and work in their hereditary crafts and hence artisans had an edge over non-artisan workers in assimilation of skills, in choice of work and career.

Dash [1989] conducted a study in the Madhusudanpur of Soro block of Orissa. The objective of the study was identification of natural resources available and examining the prospects, the constraints and the strategy for entrepreneurship development in the community. He observed that motivation was lacking in the community. He concluded that the local level organization should be strengthened, block agency should provide necessary infrastructure to start small-scale industrial units and also block agency should be started to provide a systematic training programme for the potential youths of the community.

Ramamurthy and Krishnakumar [1990] conducted a study in the twin cities of Hyderabad and Secunderabad with the objective of drawing a

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profile of entrepreneurs in small-scale industrial units. The study also made an attempt to examine the impact of family background and educational qualifications of the entrepreneurs on the development of entrepreneurship. The primary data was used to collect the information through questionnaires. It was observed that most of the entrepreneurs possessed technical qualifications and came from families of people in service or practicing the same profession. This might be due to the fact that people possessing technical skill for handling machinery and also for technical expertise they hired people with past experience. It was also observed that educational qualification did not have an influence on capacity utilization. It was suggested that people with a personal urge were to be selected and trained and these entrepreneurs performed the task of transforming the potential into effective productivity. They concluded that the entrepreneurs having undergone Entrepreneurial Development Programmes met with greater success with the objective of fuller and better utilization of all resources.

While observing the low n-achievement in India, Mishra [1990] suggested that entrepreneurship creation in small-scale sector should be the guiding spirit of the institutional effort. Hence, he suggested that polytechnics imparting industrial and agro-based training should be started by DICs or the curriculum of the existing polytechnics should be changed.

Evidencing the lack of effective guidance and upholding the relevance of entrepreneurship development programmes, Himachalam [1990] suggested the following: (i) continuous market survey, techno-economic survey, information dissemination as a follow-up programme; (ii) rigid procedures to be followed in the selection of potential entrepreneurs; (iii) carefully designed training inputs; (iv) establishing Technical Consultancy Organizations (TCOs) to guide entrepreneurs; (v) preparing a directory of

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industrial technical and management experts to give suggestions to needy entrepreneur; (vi) intensification of technical training in entrepreneurship development programme; (vii) establishing a greater degree of co-operation, liaison, closer working relationships and a better understanding amongst various institutions at the central and state level in entrepreneurial development activities; and (viii) holding field visits of longer duration as measures to make entrepreneurial development programmes fruitful.

Upadhyaya [1990] underlined the importance of training in entrepreneurship development. He observed that human beings were an integral part of the society subjected to the total environment and hence man should not only adjust himself to the situation, but also control the situation in a dynamic way and try to exploit it fully so that it might give the desired result. He suggested that this was possible through training and the Entrepreneurial Management Training Programme was one such training to be given under these four phases: The first phase includes identification and selection of an individual to become entrepreneur. The second phase involves providing education to the selected potential entrepreneur for his all round development. Under third phase, an individual is exposed to various areas of risk, uncertainties, hazards and tensions in order to gain the actual work experience. And the last phase concentrates on training and retraining for enriching the entrepreneurial qualities through various teaching and learning techniques.

Raju [1990] examined the types of assistance available to printers in Andhra Pradesh. The major assistance provided for small scale units were as follows: (i) provision of machinery on hire-purchase basis; (ii) provision of factory sites/buildings; (iii) provision of credit facilities; (iv) incentives; (v)

supply of scares raw materials at controlled prices; (vi) marketing assistance; and (vii) technical assistance and training of persons at various levels. It was found that the assistance provided for purchase of machinery was inadequate and there was a delayed procedural formality in obtaining financial assistance. The training content was found to be virtually non-existent. He observed that these problems could be overcome when extension work took the facilities to the doorsteps of the entrepreneurs at least in the initial stages.

Rao [1990] analyzed the group approaches to the development of entrepreneurship among women. The study also emphasized the integrated scheme approaches like DRDA, TRYSEM, DWACRA, NREP, etc and pointed out that entrepreneurial initiatives were to be seen from many angles. If integrated approaches to development and entrepreneurship building in rural areas took care of all the 'inputs', thousands of rural industries would come up in rural growth centers to create the biggest developmental wonder and the beneficiaries would be the groups of women. It was observed that the role of women in the economy and in the social process had to be strengthened.

As observed by Kraus-Harper [1991], women often did not perceive their activities as income generating, but as an extension of household activities. Helping the poor to generate their own income through running their own business was relatively a new approach in international development aid. Among forty-three women interviewed during training course, only a very few women displayed the recognized characteristics of entrepreneurs. It was observed that it was not only the training which would yield result, there were other factors, too that were needed by women and that motivated them to take up a business.

Natarajan and Thenmozhy [1991] made a study of 27 participants of an Entrepreneurship Development Programme (EDP) conducted in Madurai of Tamilnadu. They found that around 41.00 per cent of the trainees started the units subsequently. They suggested that since married women with family background were successful as entrepreneurs, separate EDPs could be conducted for them or they could be given preference in future programmes. They also suggested that once the units were established, bankers should frequently visit them in the initial stages and provide counselling and review the working of the units.

Rao and Rajagopalan [1990] made an attempt to analyze the success of Scheme for Employment for Educated Unemployed Youth (SEEUY) from the viewpoint of survival, growth and development of entrepreneurs. A sample of 90 beneficiaries, who were successful in Pondicherry region of the union territory, formed the basis of the study. They found that socio-cultural factors did not influence much the development of entrepreneurship. They concluded that mere provision of financial assistance to the job seekers to start a self-employment venture under SEEUY scheme did not yield the desired result. The study suggested that there was a need for proper training, and an effective integrated plan for resource development.

Muthaiah and Loganathan [1990] analyzed the psychosocial factors influencing entrepreneurship to evolve a strategy for selection and training of entrepreneurs based on identified attributes. The study covered 230 TRYSEM trainees of Nagpur and Aurnagabad towns of Maharastra. For those who were self-employed, the support system worked well and the training institutions were also well equipped. However, they observed that

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the identification of trainees was not methodical and as a result 50.00 per cent of trainees remained unemployed.

Natarajan and Jayarathnam [1991]\textsuperscript{240} suggested that government should take various measures to develop entrepreneurship among women, such as the reorientation of educational system for women to emphasized career guidance and inclusion of entrepreneurship awareness in school curricula, providing additional concessions, giving wide publicity to such concessions, provision of facilities such as marketing support and preference in government purchases and waiving of collateral security.

Subbarayudu and Mohan [1991]\textsuperscript{241} conducted a study in the Cuddapah district of Andhra Pradesh. It was found that very few beneficiaries underwent the specialized management training courses organized by the District Industries Centre. However, the training programme was found to be ineffective in inculcating entrepreneurial spirit. It was suggested that importance should be given to the practical and technical knowledge rather than theoretical aspect and also field visits of successful units should be done.

Awasthi and Sebastian [1992]\textsuperscript{242} conducted an evaluation study on the performance of Entrepreneurship Development Programmes in India. They indicated that EDPs were cost effective and they were worthwhile investments by development banks and the government. They found that the mushrooming of training institutions, the lack of empathy among local officials of the support system, more of commercial than developmental and

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orientation of some of the developmental organizations reduced the effectiveness of training as well as the credibility of EDPs.

Nubler [1992] attempted to evolve simple criterion based upon improved financial performance of the units reflected by amount willingly offered by the trained persons for attending other programmes for improving performance of their existing units. The finding was that there was a positive relationship between course fee for training and entrepreneurial adoption.

Kannan [1993] studied the essentials of training in entrepreneurship development. He observed that training was essential not only for existing entrepreneurs but also for different types of persons who were directly or indirectly involved in the total process. It was found that an effective entrepreneurial movement in the country depended on the ability to devise and design effective long-term programmes. Such programmes might be formal or informal type. The formal programmes could be attained through integration with the general educational programmes in universities, colleges and technical institutes. The informal training programmes could be provided through providing reading materials, books, magazines, etc. He envisaged an integrated training programme involving (i) policy-makers; (ii) government executives in charge of planning and implementation of entrepreneurship development programmes; (iii) field personnel; (iv) personnel working in the support systems like corporations and financial institutions; and (v) workers in the voluntary organizations.

Akbar [1993] examined the fostering of entrepreneurship through educational systems in India with a special reference to business schools.


He suggested a division of entrepreneurship development activities into five different segments namely environmental segment, entrepreneurial training segment, entrepreneurship education segment, non-governmental organizations and corporate sector segment. He also suggested that the business schools could serve one or more segments depending on the needs and objectives of each school, its core competence, structure and the resource base.

Balu [1993], in his study, examined the effects of entrepreneurship development programmes on individuals. He found that individuals could be developed, their outlook could be changed and their ideas could be converted into actions through proper and systematic training programme. The study also identified the following problems associated with entrepreneurship development programmes: (i) lack of co-ordination among various agencies sponsoring the EDPs; (ii) most of the programmes were conducted in head quarters of the organization and ignoring rural and backward areas; and (iii) there was delay in sanctioning and disbursement of assistance because of complex procedural formalities. He also observed that the entrepreneurial base would not be widened not by financial and promotional support alone, but by giving socio-cultural importance to entrepreneurship.

Baydas et.al. [1993] conducted a study to investigate credit rationing by lenders in special micro enterprise programmes in Ecuador. They found that small-scale enterprises received several forms of aid but many were denied access to formal loans due to inadequate information. They observed that micro enterprise programmes helped entrepreneurs to collect, assemble and prepare the type of data needed to evaluate loans by lending institutions and this resulted in reducing the degree of imperfect


information regarding their potential borrowers and improved their loan recovery rates.

Mali [1994]248 conducted a study in North Eastern states of Assam, Meghalaya, Tripura, Manipura, Arunachal Pradesh and Nagaland on EDPs. The period covered for the study was 1985-90. Nearly 5000 entrepreneurs were trained during 1985-90. During this period, NISIET alone conducted 63 EDPs and trained 1518 persons, out of which 347 (23 per cent) trainees started their ventures. The remaining institutions conducted 15 EDPs during the same period and trained 3600 candidates and 750 members (20.88 per cent) succeeded in setting up their units. Among these States, Manipur had the highest rate of start-up (28.42 per cent), whereas Tripura had the lowest start-up (11.54 per cent). This study revealed that several common as well as region specific problems were associated with EDPs like lack of coordination between different institutions, problem of state governments, etc.

Wani [1994]249 observed that individuals could be developed, their outlook could be changed and their ideas could be converted into action through organized and systematic training programmes for prospective entrepreneurs. It was also observed that financial institutions aid to industrial unit should be need-based instead of security-based.

Hyder [1994]250 analyzed the impact of training on women entrepreneurship in Mahaveli district of Sri Lanka. It was found that the female share of the employment in Mahaveli was 38.8 per cent during 1993. Among the sample of 52 trainees selected, 32 trainees were performing well. It was suggested to take up proper follow-up action and also suitable measures while selecting the candidates. The major problem faced by the

trainees was marketing their products and hence it was recommended to conduct special sessions on product and market development.

The study by Prem [1995] in Andhra Pradesh was taken up with the following objectives: (i) to assess the performance of EDPs in Andhra Pradesh; (ii) to identify whether the performance of EDPs would vary from organization to organization within the same cultural milieu and to identify the reasons for the differences, if any; (iii) to identify whether exclusive women EDPs are more effective in promoting women entrepreneurs than mixed design programmes; (iv) to identify whether the performance of EDPs is different in Andhra Pradesh and Gujarat and (v) to identify the various factors that influence the effectiveness of EDPs. Out of 160 respondents, 92 were trainees and 68 were non-trainees. The chi-square and z-test were used for analyzing the data. The following were the findings of the study; (a) the start-up rate was significantly higher in trained groups than untrained; (b) the start-up rate among EDP organizing institutions were almost identical; (c) in respect of women trainees, start-up rate was proportionately equal in both general EDPs as well as exclusive women EDPs; (d) the trainee entrepreneurs came from diverse background in terms of education, age, caste and income; and (e) the start-up rate among trainee of Andhra Pradesh and other States showed no much variation.

Mrs. Prasad [1995] conducted a study on TRYSEM entrepreneurs in and around the villages of Delhi, an area with highly developed infrastructure and marketability. She noted that the micro entrepreneurs' development programme failed to a large extent. She attributed the failure of these units to wrong conception and implementation without realizing the ground realities. She concluded that though these programme were intended

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to create self-employment, the prevailing social structure was just not conducive for their success.

The survey of 126 business owners in India with entrepreneurship training and 120 without training by Harper and Mahajan [1995] found that trained owners could break even significantly sooner and had lower capital-output ratios. The study of two groups of thirty respondents found that trained owners had significantly higher personal earnings, company profits and numbers employed.

Awasti and Sabastian [1996] made an all-India level evaluation study of EDPs conducted during 1984-88 by major Indian financial institutions. During this period, 555 EDPs were conducted comprising of 404 women EDPs. Out of the total of 555, 145 EDPs (25.00 per cent) were drawn as sample programmes consisting of 99, 36 and 20 as general, science and technology and women EDPs respectively. Nearly, 1295 trainees were trained in sample group of EDPs, out of which 865 were interviewed and 430 were not available and non-traceable. Out of the interviewed, 277 started their units, 78 were actively under process of starting. The study observed that only about 30 per cent of the trainees started their enterprises. Start-up rate was better among science and technology group compared to general group and it was much better even in exclusive women EDPs. They concluded that the whole social system was responsible for the poor performance of EDPs. The main culprits for low start-up rate were the entrepreneurship development training organizations, the various constituents of the support system, Entrepreneur-Trainers-Motivators and the trained entrepreneurs. They suggested for a

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comprehensive approach for success rather than tinkering with elements of EDPs.

Sinha [1996] conducted a study to examine the role of human factors in entrepreneurship effectiveness. The human factors examined were: (i) the background of the entrepreneurs; (ii) personality characteristics; and (iii) leadership behaviour of an entrepreneur. The strategy adopted was to identify two criterion groups of healthy and unhealthy small-scale industrial units and to see whether their entrepreneurs differed in these three sets of human factors. It was found that two criterion groups did not differ in organization variables such as type of ownership, size of an enterprise, capital investment and problem faced by small-scale units. It was also found that unhealthy units rated themselves as unsuccessful and healthy units as successful. It was observed that the successful entrepreneurs were younger in age, technically educated with business background. It was also observed that the entrepreneurs of healthy units possessed characteristics of manipulative skill, achievement motivation and belief in functional values, which made them reflect greater entrepreneurial effectiveness.

Saini [1996] studied EDPs in the North Indian States of Punjab, Haryana, Himachal Pradesh and Union territory of Chandigarh. He made a comparison between trained and untrained entrepreneurs in three stages; project establishment stage, project management stage and about their future vision and plans. He found that there was little difference between trained and untrained entrepreneurs in respect of utilizing the facilities relating to working capital loans and subsidies in the establishment stage. In the project implementation stage, the performance was almost identical. The trained entrepreneurs exhibited significantly higher growth rate in terms of

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employment and sales turnover. It was found that trained entrepreneurs reflected better entrepreneurial vision and lesser frustration.

Shivaprasad [1996]^{257} suggested the following policy measures and programmes for initiation: (i) it was necessary for the concerned agencies to take up EDPs in two tiers namely new enterprise programme and firm start programme which included both the theoretical and practical knowledge; (ii) training should be given in weekends and sometimes on occasional evenings for those candidates who cannot spend their full time for training; (iii) for those entrepreneurs who wanted to diversify their business separate entrepreneurship development programme should be conducted; and (iv) small industry development should be split into different sub sectors like import substitution units, export oriented units, micro enterprises and one person enterprises which needed different types of entrepreneurship development programmes.

Poojary [1996]^{258} evaluated the training programmes in Dakshina Kannada district of Karnataka from the viewpoint of whether EDPs were effective enough in creating entrepreneurs from non-business background and if not, what could be the alternative sources of training. The non-EDP sources of training were grouped into two categories. Out of the total sample of 66, 3 were EDP trained entrepreneurs, 8 were formally trained and 55 were informally trained. The following observations were made from the study: (i) the EDPs had only marginal impact on the process of creation of entrepreneurs; and (ii) a large number of entrepreneurs took up entrepreneurial activities after having enough practical experience or exposure in their previous occupations.

Schor and Alberti [1996] described a voucher training programme in Paraguay in which the government subsidy took the form of vouchers. Micro entrepreneurs could exchange these vouchers for training at any of a number of institutions, but the institutions could only redeem the vouchers once the trainees had completed the course in its entirety. This way an incentive was built in for the training to be relevant and it retained the interest of micro entrepreneurs.

Avadesh [1996] underlined the need for EDPs in Rajasthan. He opined that due to changed economic and industrial scenario, every year a few models of EDPs would not suffice. He argued that EDPs must provide sufficient inputs not only to start or set up a venture but also to sustain it in hard times. He came to the conclusion that the EDP concept should be broadened so that the programmes could incorporate subjects like exports, packaging etc.

The study by Premaleela [1996] related to the growth of entrepreneurship among women and also problems and prospects of women entrepreneurs. A sample of 250 entrepreneurs from three districts of Karnataka covering Bangalore, Shimoga and Hassan, was selected for the study. It was observed that majority of the entrepreneurs had took up entrepreneurial activities with influence, motivation and support from their family member in addition to individual initiative. The study indicated that women entrepreneurs were doing well in terms of investment, capacity utilization, employment generation, sales turnover and perception of stability. The study also revealed that lack of timely and adequate finance was the major cause of enterprises turning to be non-starters. She concluded that apart from governmental and other institutional support women

entrepreneurs must prepare themselves to compete in a highly competitive market with good quality and prices, which would go a long way in the success of their endeavours. She suggested that entrepreneurial training programmes should impart skills from the viewpoint of enhancing entrepreneurial education, personality and risk bearing capacity.

Schulz [1996] analyzed the employment promotion through Community-driven Education and Training. The objective of Community-driven Education and Training was to create forum, structure and environment within which young people could develop a clear and realistic vision for themselves and strengthen their sense of social and civic responsibility, parents, business owners and civic leaders could guide them through this process. He observed that vocational training schemes did not overcome poor attitudes and aspirations. He concluded that training programmes for young people should include life-skills training, vocational skills and embedded within the community, parents and local business people.

Ray and Ramachandran [1996] presented a conceptual framework that might be of help in developing a meaningful theoretical formulation. The outcome of entrepreneurial activities was the predominant area of interest of entrepreneurship researchers, consisted largely of economists. It was only a few decades ago that the focus of the research shifted to the entrepreneurial personality. It was in the early sixties, a group of researchers started exposing psychological characteristics, personality variables and demographic backgrounds of entrepreneurs. Eventually, the economists allied entrepreneurs with innovation whereas the behaviourists concentrated on the creative and intuitive characteristics of entrepreneurs.

Tomecko and Kolshorn [1996] analyzed the task of promoting entrepreneurship through Competency-based Economies through the Formation of Enterprise (CEFE) Method. The CEFE approach was composed of five mutually interdependent factors that were continuously influencing the expansion or contraction of enterprise in a society. The factors included the following: the entrepreneur's own motivation and competencies, the society's macro economic framework, institutional support networks, market opportunities and factors. There were six stages in a CEFE training programme, viz.: (i) awareness; (ii) acceptance or recognition of one's own strengths and weaknesses; (iii) goal setting; (iv) developing strategies or action plans; (v) direct experience; and (vi) transformation and empowerment. The study concluded that the CEFE approach was used by different countries and applied to different situations related to enterprise development.

Hansen [1996] analyzed two innovative approaches to foster entrepreneurship. One approach, called 'Group Entrepreneurship Projects (GEP), was a rudimentary pre-cooperative approach to enterprise creation that was designed to assist the rural poor. The another approach, called 'Cooperative Entrepreneurship for Enterprise Development (CEED), was designed to boost the economies and employment levels of rural and urban communities in both developing and industrialized countries through the systematic organization of modern worker-owned joint production cooperatives in the industrial and service sector. He concluded that these two collective approaches to group entrepreneurship provided the basis for a dynamic employment and enterprise development strategy.

Ranade [1996] pointed out that rate of success was reduced not due to entrepreneurial inadequacy but because of business environmental

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deficiencies. He concluded that the EDP models were to be more dynamic, flexible, market based to meet the requirements of different economic strata, social strata and infrastructure strata existing in the country.

Opoku-Afriyie [1997] evaluated the promoting enterprises in the wood products sub-sector in Ghana. The sub-sector approach to small enterprise promotion was used to explore the effects of export production and related factors on the emergence of opportunities and constraints faced by micro enterprises and small businesses (MSEs). It was observed that export production was a major factor influenced the supply of wood to wood working MSEs. It was concluded that the policy and project intervention to promote enterprises in the sub-sector could be more effective if they fostered greater links between enterprises producing for the domestic market and those producing for export.

Choy and Goh [1997] argued that franchising was a form of entrepreneurship development that provided the franchisee with the necessary knowledge and practice as well as supplies and service support of running a viable business. Quoting the survey by National Productivity Board (NPB), he observed that franchising improved the small business survival rate in Singapore and promoted entrepreneurship development.

Soetan [1997] opined that entrepreneurship was sustainer of the majority of Nigerian women. It was observed that majority of micro enterprises were too small to come within the governments’ size categories, so they did not qualify for official assistance. It was observed that the major constraints of female micro entrepreneurs were shortage of capital, constant harassment from law enforcement agents and lack of access to training in management and technical skills.

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Mahadeva [1997] opined that the real finesse of actions of DICs lied in entrepreneurial development with an effective support system.

Prabath [1998] in his paper, emphasized on the induction of new approaches to meet the emerging needs of the twenty-first century entrepreneur. The hypotheses put to test were: (i) the need for achievement is essential for entrepreneurial success; and (ii) the achievement motivation can be developed. The six experimental training programmes on achievement motivation conducted by McClelland’s model was adopted. The effect of the behavioural training on entrepreneurial activity was assessed in comparison with control groups. Results revealed that those who participated in the courses showed more active business behaviour, worked longer hours, made more definite attempts to start new business ventures, and actually started more such ventures. They also made specific investment in new fixed productive capital and employed more workers. The trained entrepreneurs showed larger percentage increases in their gross incomes, and demonstrated increased entrepreneurial activity. It was suggested to review the existing methods of training and skills and introduce new approaches for entrepreneurship development during the next century. These experimental programmes emphasized the positive relationship between ‘Need for Achievement’ and entrepreneurship.

Kumar [1998] examined how EDPs contributed to the socio-economic transformation in the districts of Dakshina Kannada. The data regarding the number of EDPs conducted, number of trainees trained and the development of entrepreneurship revealed that EDPs had a marginal impact. The study revealed that the factors influenced for establishment of enterprise were due to family support rather than the training programme.

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Akhouri [1999] analyzed the progress made in the field of entrepreneurship development during 1990s. The major contributions of the 1960s were the establishment of positive linkage between entrepreneurship and economic prosperity and the emergence of strong planned effort. In 1970s a variety of EDP strategy and models were developed. During 1990s, there was a shift from generalist to extension specialist approach and development of more precise EDP strategies. He concluded that all entrepreneurs were self-employed, but all self-employed persons were not necessarily entrepreneurs. He observed that this might result in dilution of EDPs and consequently might erode the credibility by producing large number of Pseudo-entrepreneurs performing the task of the piece rate workers.

Mishra [1999] evaluated the training process in entrepreneurship development. The emphasis of entrepreneurship training was on the transformation of people from general to specific i.e., ‘person’ to ‘entrepreneur’. The process of entrepreneurship training consisted of three partners: the participants, the training institution and the sponsoring organization being interlinked at different stages, viz., preparing, training and follow-up stages. The major conclusions was that sponsoring organizations and training institution became the antecedent to entrepreneurship training and the improved behaviour of the participants resulted in the setting up of enterprise. It was also observed that the objective of the training organization would be successful by making the modification in the training programme based on the feedback of the participants and the sponsoring organization in the process of entrepreneurship training.

Mali and Deka [1999] analyzed the planning of entrepreneurship development programmes for its successful implementation. They concluded

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that planning, implementation and evaluation were three important stages in making the EDPs more effective instrument of promoting entrepreneurship. They also observed that (i) at the planning stage, programme objectives should be finalized; (ii) the inputs like training duration, methodology, content should be decided; and (iii) the training programme, follow-up, guidance and monitoring should be included in the implementation stage.

Mony [1999] described the experience of North Eastern Industrial and Technical Consultancy Organization Ltd. (NEITCO) in organizing EDPs in North Eastern region. NEITCO started organizing EDP from 1982 and the units set up by trained entrepreneurs ranged from conventional knitting and tailoring units to pharmaceutical, plastic engineering, hotels and automobile servicing units. He suggested that the selection form to be in regional language: common entrance test to be conducted for EDP participants: organization of separate EDPs for school dropouts: incentives to general EDP participants similar to science and technology EDP participants: and strengthening the database and trainers’ skills in order to make EDPs more effective.

Andrews [1999] analyzed about the entrepreneurship development programme in northeastern region of India. It was observed that the EDP participants selected the ventures in the areas of traditional and modern manufacturing activities and service sector. He stressed the need for making the EDPs industry specific and target group oriented for weaker sections, women etc. He concluded that there was a need for short duration EDPs for traditional type of industries, EDPs for medical and engineering students.

Prakasam [1999] evaluated the perceived problem of the EDP promoting agencies. The problem consisted of delay in sanction of loan, undue procedural delay and rejection of loan application. He suggested that involving the bankers in EDPs right from the planning stage itself could rectify the above problem.

Kumar [1999] analyzed the experience of the branch Small Industries Service Institute of Tura in the development of entrepreneurship in the Garo Hills district of Meghalaya. He suggested a strategy for entrepreneurship development in Garo Hills and laid stress on product and process oriented EDPs, adoption of location specific syllabus and effective follow-up for achievement of results.

Das [1999] analyzed the Entrepreneurial Motivation Training Centre (EMTC) programme launched in Assam in 1973 for effective promotion of entrepreneurship among the educated unemployed youth of the State. The EMTCs identified, selected and trained prospective entrepreneurs. He highlighted the problem of EMTCs due to adoption of similar programmes by various other Government departments and the introduction of SEEUY programme. He concluded that there was a need for review and re-orientation of EMTCs programme for making it more effective.

Mali [1999] opined that lack of entrepreneurship was the main cause of slow industrial development in North Eastern Region. He suggested that strategy on industrial development of the region development of entrepreneurship was to be emphasized. He concluded that training would be successful through the support and sustaining activities. Further,

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collaboration from the department of industries with the EDP conducting agencies was required to make EDP successful.

Haragopal [1999] analyzed effectiveness of Entrepreneurship Development Programme in North Eastern region. He stressed the need for specific training for entrepreneurs for whom loans had been sanctioned. He concluded that EDPs with a design change and oriented to upgrading specific skill/activities, coupled with escort service would have greater chance of success in NE region.

Jogi [1999] summarized the result of an evaluation study of EDPs of North Eastern Industrial and Technical Consultancy Organization Ltd. (NEITCO), Guwahati, National Institute of Small Industry Extension Training (NISIET), Guwahati and North Eastern Industrial Consultants Ltd. (NECON), Imphal made by the North Eastern Council (NEC). It was observed that overall success of EDPs was 21.00 per cent, though there were state-wise variations in the success rate. It was noticed that the ventures started by the trainees ranged from textile to printing press, hotels and restaurants. It was also observed that more than 50.00 per cent of the trainees set up their enterprises without any institutional finance and indicated that banks and financial institutions did not play any significant role in promoting the first generation entrepreneurs.

Chakraborty [1999] evaluated the training programmes of Entrepreneurial Motivation Training Centre (EMTC) with particular reference to industrial backward districts of Darrang and Sonitpur. It was noted that the EMTC officers were to be trained in modern methods of training so that they could select proper entrepreneurs for proper training. He concluded that

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there was need for the co-operation and co-ordination among various departments, banks and financial institutions to make the EMTC scheme a success.

Dutta [1999] analyzed the effectiveness of training provided by Small Industries Service Institute (SISI) in the creation of awareness about entrepreneurial opportunities and also organizing EDPs. He stressed the need for creation of raw material supply facilities at the district level, improvement of the facilities in the industrial estate for supporting and sustaining the entrepreneurs' zeal. He identified that the marketing was one of the problems for the entrepreneurs and the training programme should focus on this problem.

Srivastava [1999] analyzed the resources of North Eastern Region and discussed the characteristics of person with high need for achievement and EDP model. He suggested that there was a need of co-ordination in conducting EDPs and Director of Industries should play the role of coordinator. Further, he suggested that there was a need for making a study of the effectiveness of the EDPs, reviewing the existing model to make change if required and an effective follow-up of EDPs.

Sundaran [1999] analyzed the unemployment problem in Assam with particular reference to engineering graduates and diploma holders. He suggested that there was a need for proper selection of candidates and providing right kind of training for development of entrepreneurship. He concluded that there was a need for providing incentives, widening the scope of EDPs, quick clearance of loan applications by banks, industrial


exposure, strengthening the data base, development of trainers’ skill and support of sponsoring organizations.

Jaitlay [1999] analyzed the EDPs conducted by North Eastern Industrial Consultants Ltd. (NECONs) in Manipur, Mizoram, Nagaland and Tripura. He observed that the success of EDPs adversely affected due to a number of factors, particularly delay in preparation of credit proposals, sanction of margin money, sanction of loan by banks and industrial development corporations (IDC), issue of various permits and rejection of many loan proposals of EDP trained entrepreneurs by the screening committee of IDC. Banks were reluctant to sanction loan to new entrepreneur because of their poor recovery. State Financial Corporation (SFC) did not have adequate resources to assist EDP trained entrepreneurs. He suggested for the removal of these problems for success of EDPs.

Govindappa and Shrinivas[2000] undertook a study of 40 small-scale engineering units of Davangere city of Karnataka. The main objective of the study was to know the socio-economic background of entrepreneurs, factor that influenced, to evaluate the performance and to identify the problems of the units. The findings of the study were as follows: (i) respondents of small-scale industry belonged to a wide variety of castes; (ii) 95.00 per cent of the respondents had previous experience which was the most single factor promoting them to entrepreneurship; (iii) a majority of respondents showed growth in investment, turnover, employment and expansion of the unit; (iv) the problems faced by the respondents were marketing, labour turnover and absenteeism; and (v) the help from the institutional agencies was inadequate.

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Bhat [2000] conducted a study in Dakshina Kannada district of Karnataka state during 1991-95 to know the role of non-governmental agencies in entrepreneurship development. The sample entrepreneurs were selected from Rural Urban Development Self Employment Training Institute (RUDSETI) and Rural Self Employment Training Centre (RUSEMP) for the study. Out of the total of 1146 trainees, 180 trainees from RUDSETI and 51 trainees of RUSEMP were drawn as sample respondents. Out of 180 trainees of RUDSETI interviewed 125 trainees were not available or non-traceable, whereas in RUSEMP out of 51 trainees interviewed 15 trainees were not available or non-traceable. The actual start-up rate of trainees from RUDSETI was 46.67 per cent and 54.90 per cent from RUSEMP. It was observed that start-up rate was more in case of trainees selected with prior experience. He concluded that entrepreneurship development programmes would succeed only when there was equal commitment from the training organization, support system and the trainees. He suggested to assess the training programmes frequently to improve the quality of training on the basis of feedback received during the training as well as in the follow-up stage.

The study by Begum and Kamala [2000] came out with the following observations: (i) there was a need for increasing the awareness about existing training programmes; (ii) the problem of under-development could be solved to some extent, if more programmes could be organized for the females of the poor households through extension programmes of different departments of faculty of home science; and (iii) more knowledge input programmes should be planned in extension work which would benefit the community.

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Savithri and Sujathamma [2001]\(^{292}\) evaluated the empowerment of women in sericulture. They observed that the training programmes for management, entrepreneurial competence development and marketing strategies were required. They concluded that a well defined, time framed and practical oriented programmes could be evolved at all the levels and their implementation at the grassroots level would ensure the improvement of socio-economic status of women in sericulture, which offered a wide scope for economic empowerment of women.

CONCLUSION

The new millennium will be dominated by the concept of entrepreneurialism, which is a function of cultural ethos of people basically. However, the institutional framework plays no less role in bringing the entrepreneurialism in Indian masses. The success or failure of any venture lies more in quality of human element, which is virtually a product of training and development. Many exploratory studies have been conducted on the utility or futility of facilitating environment and the evidences are not conclusive with the exception of belief that somehow these facilitating factors have been positive and the men behind them make facilities effective or ineffective. The institutional support system for developing entrepreneurs is found to be very ineffective and hence new models are being evolved. Most of the studies reveal the dynamic role played by training and development programmes. The literature on EDPs is very much abundant, but the overall conclusion has been that they are not so much effective in converting aspirants into effective entrepreneurs and the entrepreneurial performance is evidenced to be very low. However, these programmes will have to find a paradigm shift from a passive role to dynamic role so that the new millennium witnesses the real fruits of these programmes to uplift the economy at the macro level and improve the living standards of the masses at different micro levels.