CHAPTER ONE

INTRODUCTION

Entrepreneurship has become the latest movement of modern and independent India. The entrepreneur is regarded as the most critical factor in the economic development of every region in India. It is only the genuine and potential entrepreneur who organises and utilises the various factors of production and sets productive machinery in motion. The availability of skilled, trained, and potential entrepreneurs is the pre-condition of economic development, progress and growth of any region in the country. Because of the ever increasing role of the entrepreneurs in all developmental activities in recent years, there has been a shift in the emphasis from increasing the rate of growth of capital formation to increasing and diversifying the entrepreneurial talents in the society.

In recent years, this awakening has come to the fore, especially so among transitional societies where small entrepreneurs assume the important role as they do of building not only "empires" but also laying the cornerstone for the much-needed economic development of their country. So entrepreneurial ideas and talents should be inculcated in the minds of members of society by its various organs.
Entrepreneurship as an economic activity emerges and functions in a sociological and cultural setting, congenial to it. It could be conceived of as an individual's free choice activity or a social group's occupation or profession. In the Indian context, entrepreneurs hail either from communities which are traditionally endowed with entrepreneurial qualities or from traditionally non-entrepreneurial groups. Further, entrepreneurship may result from either partial or total transformation of a community. The entrepreneur in this context is defined as one who could start an industry or take up a new enterprise which is a deviation from his traditional family occupation or profession. Entrepreneurs are shaped by their socio-cultural origins in terms of class. They share common beliefs and act within the accepted behavioural norms and the confines of the institutional framework of laws, business organizations and local communities. These entrepreneurs who spearhead the entrepreneurial process must, as a group, not only innovate economically but also reshape parts of the prevailing socio-cultural order. Entrepreneurship is inseparably a cultural and social revolution and both are interrelated. It is of considerable interest to study the role of the prevailing socio-cultural order in shaping and giving direction to this dual entrepreneurial task. The entrepreneurship process is a running battle between forces of change and forces of resistance. The forces of resistance are based on accepted values and norms, embodied in the socio-cultural order and carried out by the older ruling elites. The battle ends with a victory of the forces of change, but not in a uniform manner.

To bring a greater reality to this entrepreneurial group, it is necessary to make use of the concept of socio-culture, an approach that has been shared in recent years by sociologists. The socio-culture of a group of men is the way in which they perceive or sense, with a greater or lesser degree of explicitness, their own lives and actions; that is, it has to do with the states of consciousness by which men relate themselves to their society. Such consciousness, of course, both arises from society and feeds back into it. Socio-culture is both caused and causing. It does a number of things relevant to economic development. Critical among them is its service as a strategic guide to action. It fulfills in this role insofar as it consists of a set of paradigms of self, of surrounding natural and human environments, of appropriate modes of action and interaction and of appropriate distributions and forms of authority. It is thus a paradigmatic factor in a system of social controls, providing, among other things, a set of more or less explicit "rules" for action.

In approaching the business man through socio-culture, it is first necessary to consider the complex of attitudes inherited from the past. For, of course, every group of men begins from the standpoint of the society in which its members were formed and which served as its guiding principles, not necessarily in practice, but in the deeper sense of meeting, to a greater or lesser degree, the need for self-realization. Entrepreneurs, like others, have always have to make some kind of choice that would yield them a view of self.

society and of ultimate authority whether lying in God or elsewhere. Such views or attitudes are embodied in institutions towards which such men must assume an attitude. These institutions themselves will, of course, be adapting to circumstances outside themselves, but always in the light of the value systems on which they rest. Such views will also, of course, be embodied in the business world itself.

Derossi\(^2\) says that revolution succeeds in breaking traditional values, while at the same time replacing them with a new socio-cultural image, which is itself rooted in old tradition. On the one hand, there is a conscious effort to break with that part of tradition which is considered a foreign culture enforced for centuries. On the other hand, the motive culture is discovered and revalued, providing a new set of values. The tradition which prevents people from being entrepreneurial is called "social group". The very essence of entrepreneurial revolution is social transformation. Thus, change becomes a social goal and a cultural value.

Large sections of the population are led to believe that their situation could change and that they could be the actors in such a change. Social dynamism, stimulated by the revolution, brings instances of and creates hope for social mobility, which is impossible in traditional society and thus people

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are shaken from their previous fatalistic and passive attitudes. For these reasons, the period of changing values, instead of creating a cultural vacuum, is a transition toward a definite accepted goal. The revival of tradition not only supports political change, but also the social and cultural change which is later to provide the basis on which a modern economy is built. It also helps to provide the necessary cohesiveness to the nation in a period of dramatic transformation.

What researchers explore is the contribution of sociology to the establishment of patterns in entrepreneurial behaviour both within and between populations. In considering the connection between the individual’s life course and business initiation decision, the socio-cultural aspects explore the effects of demographic traits on entrepreneurship; and in linking social networks to entrepreneurial behaviour, we begin to obtain an appreciation of sociology’s contribution from cultural point of view. This viewpoint is expanded and highlighted in the studies of sociology dealing with the link between community and entrepreneurship. Instead of looking at individuals, one must find clusters. communities, socialization, family occupational groups or socially oriented factions. Naturally, not all of these will qualify as entrepreneurial groups, for to do so, they must show a certain reactivity or solidarity, defined as the degree to which the members create, maintain and project a coherent definition of their situation.

The most important aspect of this group-level definition of the entrepreneurial phenomenon is that it prompts us to see that the entrepreneur does not typically work his miracles single-handedly. He is simply the most visible member from an economic point of view of what is typically a cluster of families whose activity is mutually reinforced and coordinated by a coherent outlook on the world. So, the researches give considerable reasons to appreciate the growing and fruitful link between entrepreneurship and socio-cultural aspects of people. But at the same time, no one discipline or conceptual scheme can provide an adequate understanding of all aspects of entrepreneurship. However, there is an increasing demand for a more detailed and complete understanding of entrepreneurship and the sociological enterprise will be a major supplier in this market.

**ENTREPRENEUR AND ENTREPRENEURSHIP**

Many historians, economists, sociologists, psychologists and behavioural scientists have made attempts to define this concept in their respective fields. However, to understand distinctively, one must comprehend the entrepreneur as an individual and the entrepreneurship as a function. Richard Cantillon (18th century) defines an entrepreneur as "the agent who buys means of production at certain prices in order to combine them into a product that he is going to sell at prices that are uncertain at the moment at which he commits himself to his costs". This definition of entrepreneur as a unique constructive function of non-insurable risk had been supported by many scientists. To J B Say (1924), the entrepreneur is a person endowed with the qualities of judge-
ment, perseverance and knowledge of the world as well as of business. Adam Smith (1959) does not use the word entrepreneur at all. Rather he uses the terms like the employer, the master, the merchant and he explicitly identifies the entrepreneur with capitalist

Organisation building ability is the most critical skill required of an entrepreneur and the essence of entrepreneurship lies in the perception and exploitation of new opportunities in the realm of business (Schumpeter, 1961). According to McClelland, 1961, "Entrepreneur is the man who organises the firm and / or increases its productive society" He adds that an entrepreneur is one who exercises some control over the means of production and produces more than what he can consume in order to sell it for individual income. Peter Drucker (1973) observes that innovation is the specific tool of entrepreneurs, the means by which they exploit changes as an opportunity for a different business or a different service. It is capable of being presented as a discipline, capable of being learned and capable of being practiced. Gaikward (1978) emphasizes on the use of modern devices and equipment to be one of the main characteristics of entrepreneurs in addition to being an innovator. Entrepreneur has further been defined as one who makes a profit, derives self-satisfaction through personal achievements (Robblor, 1987), acts as an opportunistic strategist (Grasley, 1987) and also a special breed of people who work as engines to promote the economic growth (Villanueva, 1990).
Banmol (1990) says, "If entrepreneurs are defined, simply to be persons who are ingenious and creative in finding ways that add to their own wealth, power and prestige, then it is to be expected that not all of them will be overly concerned with whether an activity that achieves these goals adds much or little to the social product or, for that matter, even whether it is an actual impediment to production". Gangadhara Rao (1992) notes that entrepreneur is in essence an institution whose tasks pertain not only to innovations but also to understanding and implementing the adjustments that are required in day-to-day running of the opportunities that are inherent in or arise in a given situation and at times they must be in a position to even create opportunities out of a given situation.

In brief, entrepreneur is a person who tries to create something new, organises production, undertakes risk and handles economic uncertainty. According to Higgins, "Entrepreneurship is meant the function of seeing investment and production opportunity, organising an enterprise to undertake a new production process, raising capital, hiring labour, arranging the supply of raw materials, finding site, introducing a new technique and commodities, discovering new sources of raw materials and selecting top managers for day-to-day operation of the enterprise".
REVIEW OF LITERATURE

Many research scholars and institutions have studied the influence of socio-cultural aspects on entrepreneurs. These studies would help in obtaining practical answers to problems through the application of scientific methods and understanding. Some of the studies reviewed to the present study include the following:

GIBB and RITCHIE’ conducted a study on socio-cultural influences on entrepreneurs and they found that the traditional view of entrepreneurship was to assume in-born character traits which differentiated the entrepreneur from other groups or individuals; this view largely ignored socio-cultural influences and assumed that "entrepreneurs are born and not made". Gibb and Ritchie proposed an alternative model which suggested that "entrepreneurship can be wholly understood in terms of the types of situation encountered and the social groups to which individuals relate". The model assumed that individuals changed throughout life and it was the individual's transactions with specific socio-cultural contexts and reference groups that shaped the person. The model assumed "the formative nature of early life experience in creating basic traits and drives, but it places equal emphasis on the way adulthood itself might shape new entrepreneurial ideas and ambitions". People changed themselves throughout their ‘life course’ and it depended at what point in the life cycle the individual made the decision to enter the business world.

ASHIS GUPTA\(^1\) conducted a study of 150 Indian entrepreneurs of first, second and third generation, doing leading business in India. The purposes of his study were to explore the origins of entrepreneurship, the socio-cultural conditions that were conducive to its growth, visions of entrepreneurs, their hardships and their frustrations in the starting of enterprises. He observed that consciously or unconsciously, the Indian entrepreneur found himself torn between the polarities of self-interest and social affection. But he justified his choices between one and the other, his compromises between one and the other. And this he did with a consciousness and clarity that was unparalleled. The culture of Indian entrepreneurship was as profound as it was paradoxical. The profundity was expressed in many an Indian entrepreneur's strenuous attempts to balance a set of "other-worldly" expectations against more urgent expediencies of our present world. Though many such entrepreneurs rose their eyes towards heaven, their feet remained firmly planted in mud and corruption. This was the paradox, in the face of which the Indian entrepreneur was ever durable and resilient.

VERMA\(^2\) studied 33 business families of which 16 were from the western region, 4 each from the eastern, southern and central, 5 from the northern region. He studied the social background and needs of business family members, their effective use of family resources, investment and

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management techniques. He reported that the family background helped them to be enterprising. The family members nourished the aspirations and initiatives of the young entrepreneurs to a greater extent and made them participate in the decision-making process through consultation. He also added that the self-identity needs of the entrepreneurs were fulfilled through their affiliation with their economic units and their status needs were satisfied primarily by their placement in various positions in the management structures.

RAY O. WILLIAMS\(^1\) conducted a case study of two entrepreneurs in detail. The purpose of his study was to analyse the problems of simultaneous membership in two different and conflicting social systems (family and business), each with its own values, norms and expectations and how the family's unity and support had been maintained in times of conflicts and problems. He found that the decisive and ambitious family was a source of encouragement and it served as a training school. The family's support helped the entrepreneurs to handle the problems of business tactfully.

ASHOK KUMAR\(^2\) investigated the influences of childhood history on 100 entrepreneurs in Marripalem and Auto Nagar. He examined it in two ways. First, he looked at the present personality pattern of entrepreneurs on


the basis of the configurations that were revealed. Second, he examined the childhood experiences through the direct reports of the entrepreneurs in their interviews. He found that entrepreneurship was not an accident, but an ambition and aspiration nourished over a period of time. In many a case, entrepreneurship took a long time to unfold itself. The interval between conceiving an idea and materialising the same ranged from a few years to few generations. Therefore, it was attempted to find out whether it was the aspiration of the entrepreneurs to become so in their childhood. It was found that nearly two-thirds of the respondents had aspired for entrepreneurship during their childhood itself. It was also found that entrepreneurship was the childhood aspiration of more of the respondents in the Auto Nagar estate (45.00%) than that of the Marripalem estate (20.00%). It revealed that the majority of the entrepreneurs particularly in Marripalem estate, did not nurture the aspiration for entrepreneurship in their childhood days.

TASHAK¹ made a study of 100 women entrepreneurs in and around Hisar, Haryana state. The purposes of the study were to find out the women entrepreneurs' credit requirement, the nature of credit extended to them and the type of support extended to them by their enterprising parents. The number of children following their fathers into the family business were significantly higher than the fresh entrepreneurs mainly because the entrepreneurs having business background got better exposure to the business traits. The family served as a training school and they had better access to the

¹ Renu Tashak, "Credit Procurement and Utilization by Women Entrepreneurs", Haryana Agricultural University, Hisar, 1990.
facilities needed for entrepreneurship. Moreover, they had a complete network of business relations among their caste members. Their readiness to use availability of infrastructure was also an added benefit to them and the entrepreneurial father was seen as a source of motivation.

SIREGAR\(^1\) conducted a study on success of the non-Javanese in Java. The objectives of his study were to find out reasons behind the success of the non-Javanese in a foreign country and the motivating factors of their migration to Java from the so-called Outer Islands. He reported that the non-Javanese entrepreneurs were more innovatively enterprising and daring to face any reprisal. The feeling of an alien in the land of Javanese made them feel conscious of their status and helped them to make a concerted effort in their undertaking. Besides, the pulls of the economic migration factors were very conducive and helpful in the formation of business and marketing of products.

MISHRA\(^2\) conducted a study on caste entrepreneurs and analysed the influences of caste on the success of entrepreneurs. He reported that the people belonging to some of the castes like Marwari, Sindhi, Bania etc., had inborn entrepreneurial qualities and those who were born in these castes were definitely in an advantageous position as they got an opportunity to be aware.

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of business environment more than their counterparts in other castes. Besides, the caste communities provided good role models for emerging entrepreneurs and had a positive influence on the young entrepreneurs. At the same time, he pointed out that facilities and incentives provided by the government, increasing unemployment problems and economic pressures drew a lot of youth to enterprises from different caste and social background.

ALDRICH and WALDINGER\(^1\) conducted a study on ethnical minority entrepreneurs. The purposes of their study were (i) to find out the relative importance of ethnic entrepreneurship to new firm founding, (ii) to measure the positive or negative reactions of majority entrepreneurs and (iii) to explain the presence of the unique entrepreneurial behaviour pattern of ethnic group. They observed that some states were reluctant to allow ethnic groups full right of citizenship, including the right to start a new enterprise and most of the ethnic minority groups had to undergo difficulties in four areas of entrepreneurial opportunities. They were (i) favourable market conditions, (ii) access to ownership of a new firm, (iii) personal dispositions toward starting a new firm and (iv) the ability to mobilize resources from family, government, community associations etc.

STARR and FONDAS\(^1\) conducted a case study on the entrepreneurs to characterize the entrepreneurs' journey from neophyte to firm founder and to identify factors that influenced the transition from a pre-organization to the formation of a new organization. They distinguished two identifiable stages which shaped the organisation formation namely anticipatory socialization and new entrepreneur socialization. The anticipatory socialization characterized the predisposing qualities (positive attitude, beliefs, expectations and knowledge about entrepreneurship) and information sources (schools, colleges, peers, friends and relatives) which preceded the cognitive choice to become an entrepreneur. The new entrepreneur socialization took place through the critical variables that influenced the aspiring person to become an entrepreneur. The two critical factors which determined the transition into entrepreneurial role were the motivation for adaption and the new socializing agents (incubators, financial institutions, professional organizations etc.).

HANDIMANI\(^2\) conducted a study on 150 Hindu and Muslim handloom entrepreneurs at Mahantpur. The objectives of his study were to find out how the religious values influenced the economic behaviour and level of entrepreneurship. He pointed out that the entrepreneurs at the medium and small levels, who were all non-Marwaris (caste weavers and others) increasingly practiced the primitive form of religion. The Marwaris, who had


the trading background and operated only at the large level, on the contrary, believed in the higher form of religion. This was mainly because the higher form of religion provided an ethical base for these traits through its emphasis on fair means of success and inculcated perseverance needed for the enterprises. It was, therefore, felt that even the remaining large unit entrepreneurs, who were non-Marwaris showed interest in the higher form of religion. Whereas, the non-Marwaris at the medium and the small levels could not afford to avoid unfair means of momentary gains, since most of them were not traders, but actual weavers. Some aspects of the primitive religion lent support to such unfair means and risk-taking attitude. The Muslim entrepreneurs at the large and the medium levels showed strict adherence to the teachings of the Quran; their religious values were the sources of strength in their enterprises. Whereas, the entrepreneurs at the small level showed a tendency to go against the teachings of the Quran and follow certain Hindu customs.

AKBAR\(^1\) conducted a study of 160 Muslim brassware entrepreneurs of Moradabad town of the Uttar Pradesh State. The objectives of his study were to verify whether the Muslim religious values were relevant and encouraging the entrepreneurship and find out to what extent the Muslim social structure and entrepreneurial growth were independent. He held that the religious maktabs played a negative role in diverting some entrepreneurial talents into non-productive occupations and inducing dogmatism. But, in general, the state

\(^1\) M. Akbar, "Entrepreneurship and Indian Muslims", Manak Publications Pvt Ltd, Delhi, 1990.
of affair related to social structure and entrepreneurship did not warrant any contradiction between the two. This was so, because the social structure showed resilience and was found transforming itself in response to the needs of entrepreneurship. Instead, the cumulative economic structure of the Muslim entrepreneurs restricted the entrepreneurial upward mobility. And they tried to inculcate orthodox values which were harmful to the entrepreneurial spirit.

CONCEPTUAL SCHEME

A conceptual scheme is a theoretical framework outlining the dominant elements of a system and their inter-relationships with respect to a criterion variable (in this case, entrepreneurship). The function of a conceptual scheme is to call attention to different kinds of antecedent factors, the exact relationship between which have to be determined by empirical research.

Socio - Cultural Factors --> Competency --> Entrepreneurship

The scheme posits that the competency needed for entrepreneurship is directly related to enterprises while socio-cultural factors are indirectly related to them. In this system of relationship, competency is an intervening influence which is very much influenced by socio-cultural factors.
Socio-cultural and historical opportunities played a significant role in the economic and entrepreneurial development of the country. They did positively or negatively influence the critical component of entrepreneurial capacity and indigenous models of action. The attainment of entrepreneurial behaviour could be achieved by the sequential development of socio-cultural values (Berna, 1960; McClelland, 1961; Spodek, 1965; Christopher, 1969; Young, 1971; Nafziger, 1971; Bogaert, 1971; Uploanker, 1977; Bhandwaj, 1952; Sarogi, 1984; Singh, 1986; Bhatia & Sharma, 1989; Moharana & Dash, 1996) Bogaert (1972), Nandy (1973) Reddy & Reddy (1984) Subramaniam (1984), Ramaswami (1985) and Naik (1990) reiterated that socio-cultural sphere helped the entrepreneurs to withstand the difficulties and risks involved in the business activities. However, low entrepreneurial achievement was attributed to non-conducive socio-cultural milieu (Hoselity, 1968; Marris, 1970; Sharma, 1975). The socio-cultural values posed some resistance to development of entrepreneurship and stressed maintenance order with clear social demarcation (Yousif, 1965; Sokol, 1982; Chaturvedi, 1989; Lynn, 1991; Dana, 1994).

FAMILY

The family was uniquely suited to the task of entrepreneurial socialization. It was a small group in which the members had constant face-to-face contact with each other; the children's progress could be closely observed. Parents were well motivated for the task of entrepreneurial socialization;
viewing their offspring as biological and social extensions of themselves (Young, 1971; MDI, 1972; Singh, 1986; Takshak, 1990) Strong, decisive, controlling and ambitious parents/family members were the source of encouragement and gave the children sense of direction. Entrepreneurship was not an accident but an ambition and inspiration nourished over a period of time by the family members. The interval between conceiving an idea and materialising the same ranged from a few years to few generations (Silver, 1983; Thangamuthu & Iyyampillai, 1983; Kumar, 1990). Family served as a training school and they had a better access to the facilities needed for the entrepreneurship and moreover, they had a complete network of business relations among their kin and caste members. The readiness to use the availability of infrastructure was also an added benefit to them (Singer, 1972; Cohen, 1973; Mancuso, 1974; Walsh, 1982; Verma, 1987). On the other hand, the family members were totally indifferent to the initiatives of the entrepreneurs and to some extent, they were the hindrances to the development of entrepreneurs. Inspite of the obstacles, the entrepreneurs were determined to be enterprising in their entrepreneurial activities (Adorno, 1950; Medhora, 1965; Komives, 1972; Mancuso, 1974; Kets de Vries, 1977; Leonard, 1983).

**FAMILY MOBILITY**

The migrant entrepreneurs were innovatively enterprising and daring to face any reprisal (Hazlehurst, 1966; Siregar, 1969; Collins & Moore, 1970). Enterprising people's movements towards different parts of the country was primarily trade-oriented. They migrated and established trade centres to
gather raw materials and transport the same to other places. Thus, the entrepreneurs were attracted by the pulls of the places of destination (Lee, 1975; Das Gupta, 1976; Grigg, 1977; Ravenstein, 1981; Johnstone, 1983; Khan, 1983; Kubat, 1984; Mahto, 1985; Sinha & Ataullah, 1987).

CASTE

Caste background helped entrepreneurs in developing the entrepreneurial qualities, maintaining the business network and business monography on a product (McCrorry, 1956) Entrepreneurs became successful mainly because they belonged to the trading castes; the entrepreneurial skill was inculcated in the early age of the entrepreneurs by the elders of the caste (Hazlehurst, 1966) The caste communities provided good role models for the emerging entrepreneurs. 'Play hard and work hard' was the principle learnt by the young from their elder entrepreneurs. Caste played a vital role in promoting entrepreneurial spirit among the young entrepreneurs (Bharadraj, 1972; Rao & Prasad, 1973; Mahadevan, 1978; Takshak, 1990; Mishra, 1990). Whereas Davis (1963) held that the caste system was responsible for limiting competition and of hampering the development of large scale co-operatives enterprises. Caste and rigid contractual basis of social life were the manifestations of backwardness. No definite trend could be set with regard to the impact of caste One group held that the caste characteristics helped in better performance of entrepreneurs; another group felt just the opposite and found the caste inhibiting entrepreneurship (Gadgil, 1951; Brimmer, 1955; Lamb, 1956; Hostility, 1963; Modhora, 1965; Srinivas, 1966; Sharma, 1967; Hazelhurst, 1968; Pathak, 1973; Mines, 1973; Nafzigar, 1973; Subramanian, 1975; Rao, 1975; Uploankar, 1977; Timberg, 1978).
MINORITY

Minority entrepreneurs were found enterprising in their entrepreneurial activities because of the following reasons. The situation in which they operated the business forced them to make extra initiatives. The political and social hindrances made them more vigorous in their entrepreneurial activities (Sayigh, 1962; Papanek, 1962; Deressi, 1971; Young, 1984). The educational background helped them to undertake high technology and improve their business to a status higher than the business of non-minority entrepreneurs (Roberts & Wainer, 1966). The feeling of an outsider made them take a concerted effort in their business undertaking (Fratoe, 1986; Light & Bonacich, 1988). Minority communities and their institutions (minority associations, Church and fraternal institutions) morally and financially helped the minorities and effected the likelihood of their becoming entrepreneurs (Pavlov, 1964; Bearse, 1984). However, the minorities perceived a ceiling to their upward mobility in larger organizations that motivated independent action (Bonacich, 1973; Hymowitz, 1984). The minority groups could not develop their business schemes because of the lack of business opportunities (market conditions, access to ownership & access to resources) and means of development (Epstein, 1964; Kunkel, 1970; Rao & Verma 1970; Aldrich & Waldinger, 1990; Aldrich & Ward, 1990).
SOCIALIZATION

The socializing agents provided information to the new recruits regarding background history of the firms and difficulties involved in the formation of business (Louis, 1980; Gartner, 1985). The entrepreneurs of first generation came upon their own or on being encouraged and motivated by their friends, peers, relatives and educational institutions. It was clear that entrepreneurs belonging to different communities received motivation and encouragement from different sources (Kumar, 1990; Venkatapathy, 1991; Starr & Fondas, 1992). New entrepreneurial socialization (Development socialization) specified the critical variables that influenced the new recruit, once the decision was made to start a firm. The critical variables were the financial institutions, incubators etc. The bankers and financial institutions not only offered credit facilities but also provided information regarding starting of enterprises to the entrepreneurs (Allen & Rahman, 1985; Aldrich & Zimmer, 1986; Trivedi, 1991; Mishra, 1991; Gupta, 1992; Kamala, 1992; Moharana & Dash, 1996). The incubators helped the aspiring entrepreneurs in evaluating work related attitudes and developing personal talents to get the job done efficiently (Gaikward, 1974; SITEI - Hyderabad, 1974; Fisher, 1986; SBI, 1987; EDI - Ahmedabad, 1987; 1988; Dinesh, 1989; Singh, 1990; Mahajan, 1992; Sebastian & Awasthi, 1992).
RELIGIOUS VALUES

Weber (1930) wrote that the compulsory saving of asceticism familiar from the economic history of Puritanism worked also among the Jains. In the case of the Vaishnavas, this ethic was compensated by certain social networks and customs like discipleship and consequent travel which were conducive to trading activities. The religious attitudes encouraged hard work, efficiency and thrift among the entrepreneurs and they also impelled them to apply their minds to increasing productivity (Fleming, 1979; Casson, 1982; Handimani, 1985; Prasad, 1989; Robert, 1991; Surico, 1993; Gupta, 1994). Singer (1972) noted that the most frequently alleged obstacles to modernization in India were the ritualism, caste, fate (karma), rebirth (punarjanma), duty (dharma) and salvation (moksha) which were supposed to constitute a theodicy for the social system's moral and metaphysical justification (Timberg, 1969; Singer, 1973; Cohen, 1973). Instead of inculcating entrepreneurial enthusiasm among the followers, the Islam religious institutions inculcated orthodox values which hindered the entrepreneurial spirit (Akbar, 1990). Wilken (1979), Ramu (1985) and McGraw (1995) studied the influence of the religious values on the entrepreneurs. They pointed out that the disagreement over religious affiliation / values concerned the extent to which the dissenters occupied entrepreneurial roles. A number of leading entrepreneurs were non-conformists of religious values and considered the personal characteristics more important
than the religious characteristics for the formation of the business. Fatalism or people's belief in uncontrollable forces of the environment and subsequent passivity to whatever happened to them was viewed as a negative factor in the acquisition and development of business. Fatalistic beliefs, therefore, tended to stifle curiosity (Magdalena, 1979; Gupta, 1994).

Thus, in the review of the literature on this subject, it is found that many studies have been conducted by a lot of researchers relating to socio-cultural aspects of entrepreneurs. These studies clearly show the vital role of socio-cultural elements in the formation of the entrepreneurs. However, most of the studies have analysed only one or some parts of the socio-cultural factors. The present study, therefore, has been taken up to analyse the influences of socio-cultural factors on the Christian entrepreneurs at the time of commencement of their enterprises and thus differs from the existing studies.

**IMPORTANCE OF THE STUDY**

India is a country of great traditions where social customs and norms exert a firm grip over the behavioural pattern of an individual. The enterprise can fairly develop in a society where the socio-cultural factors permit a variety of choices and their processes are not comparatively rigid enough to discourage the development of personalities interested in enterprise. The role of social and cultural factors in the process of economic development has been recognized long back. The entrepreneurial activity at any time is dependent on a complex and varying mixture of socio-cultural, psychological and economic factors. A
multitude of factors affect entrepreneurial spirit among people and they, in turn, cast their influence on environment. The process of interaction and adaptation between the individuals and their environment goes on. At any given moment of time, the individuals take meanings from the situations in which they find themselves through the media of social roles, cultures, past experiences and future expectations. So, the rationale for studying socio-cultural influences on entrepreneurs becomes strong. A society is an expression of the general culture of the society and speaks of basic values and religion. According to these, the attainment of entrepreneurial behaviour can be achieved by the sequential development of ideological values, socialization, need for achievement and the resultant entrepreneurial behaviour. Thus, a significant association between socio-cultural sphere system and entrepreneurship has been reported by many.

The post-independence period has witnessed rapid social, cultural, economic and political changes in India. These changes had their profound influence on entrepreneurial talent in different regions of the country. In response to the liberal financial packages offered by the financial institutions, several new entrepreneurial communities, not known for mercantile background came forward to start economic activities in trade, manufacturing and service sectors.  

1 Ashis Gupta, "Indian Entrepreneurial Culture", Wishwa Prakashan, Surrey, UK, 1994, P. IX.

OBJECTIVES OF THE STUDY

1. To study the socio-cultural environment in which the entrepreneurs have been brought up and identify the influences of those socio-cultural factors which helped the members of the Christian community to take up entrepreneurship at the time of starting their enterprises.

2. To study the obstacles caused by the socio-cultural factors to the entrepreneurs at the commencement of their enterprising activities.

3. To examine by a comparative study, to what extent the socio-cultural factors helped the Catholic and Protestant entrepreneurs to achieve their aim.

4. To analyse the influences of the socio-cultural factors on the personal data of the sampled entrepreneurs.

HYPOTHESES

1. Family members did not nourish the initiatives, ambitions and aspirations of the entrepreneurs.

2. Caste did not help entrepreneurs in the formation of enterprises and gaining the markets.

3. Socializing agents did not assist the aspiring entrepreneurs in the formation of enterprises.
PROBLEM TO BE INVESTIGATED

Tamil Nadu is one of the industrially developed states in India. In order to promote entrepreneurship, the State Government helps the entrepreneurs by creating sufficient infrastructure, congenial climate, peaceful working conditions and incubators. It is paradoxical to note that not many Christians in Tamil Nadu take up entrepreneurship as their profession / occupation though, there are ample opportunities for entrepreneurial activities in the State. Besides, there is a notion that the Christian community in Tamil Nadu is not entrepreneurially enthusiastic. Even the educated Christians like to become salaried persons rather than risk-taking entrepreneurs. As far as the researcher is concerned, no scientific study has been done in the past to prove or disprove the above notion. But at the same time, there are some members of this community who are entrepreneurially successful. So, the present study is intended to find out how and to what extent the socio-cultural factors helped the members of this community to take up entrepreneurship as their career.

WORKING DEFINITIONS

SMALL BUSINESS / ENTERPRISE ENTREPRENEUR (INFORMAL SECTOR ENTREPRENEUR)

A small business / enterprise entrepreneur, for the purpose of this study, is defined as one who started his entrepreneurial activity with the initial capital of less than Rs. five lakhs, at the time of starting his enterprise. Since the study is related to small business entrepreneur, the sample has been
bound by the characteristics of the enterprises like small size, family ownership, limited source of input, labour intensive technology, unregulated/competitive markets, unregistered nature of business, lack of organisation, lack of insufficient support from government etc

CATHOLICS AND PROTESTANTS

The Catholics are the members of the Christian Church headed by the Pope. The Protestants are the members of any of the Christian Churches as a result of the Reformation.

ENTREPRENEURS

Sampled entrepreneurs, aspiring entrepreneurs and intending entrepreneurs denote the same.

LOCALE OF RESEARCH

Chennai (Madras) and Madurai are selected as locale for the present investigation. The research covers the Christian entrepreneurs scattered throughout these cities and takes the entrepreneurs of both urban and suburban areas. The Christian entrepreneurs residing in Chennai and Madurai (Tamils and non-Tamils) irrespective of denominations are all brought under one roof for the sake of the study.
RESEARCH DESIGN

The present study is based on both descriptive and analytical types of research design. Descriptive study is designed to describe characteristics of users of a given or characteristics of people belonging to a particular group. It includes surveys and fact-finding enquiries of different kinds. The major purpose is to present things as they are. In social studies, it is called "Ex Facto Research." Here, researcher has no control over the variables and he could present items as they are. Analytical design is one by which the information acquired through survey are analysed and critical evaluation is made by using statistical tools.

SELECTION OF VARIABLES

A comprehensive list of all possible variables has been prepared after getting the suggestions of the researchers and experts (EDI, Ahmedabad and NIESBUD, Okala, New Delhi). Based on the suggestions of the experts, six variables (Family, Migration, Caste colleagues / Associations, Minority, Entrepreneurial socialization and Religious values) have been finally selected.

SAMPLE SELECTION AND DATA COLLECTION

The basic unit of enquiry for this study is the individual entrepreneur. The nature of the analysis is such as to make the individual entrepreneur the appropriate unit of enquiry. The Christian entrepreneurs are doing business
throughout the State. But the researcher takes only 300 small business entrepreneurs/informal sector entrepreneurs (Catholics 150 and Protestants 150) for his study purpose. In order to study the socio-cultural influences on the Christian entrepreneurs, a stratified random sample of small business/enterprise entrepreneurs has been chosen from the universe. The names of the Christian entrepreneurs have been received from the catalogue of entrepreneurs maintained by the Pastors of the Chennai and Madurai Christian Dioceses. With the intention to collect necessary data from the sampled entrepreneurs, a detailed questionnaire, containing all the important information essential for the study, have been constructed. Before the final questionnaire has been administered on the sampled entrepreneurs, the questionnaire has been pre-tested on a few entrepreneurs and necessary modifications have been done. After planning and formulating the research design and interview schedules, data have been collected through administering the final format of questionnaire. To achieve the project objectives, survey method as well as discussion method have been adopted. An extra care has been taken to get the accurate response from the respondents by personally explaining them each and every point in detail. The information collected through the questionnaire on the various aspects has been summarised and presented in the form of tables.
STATISTICAL ANALYSIS AND REPORTING

Percentage has been used for making simple comparisons. The percentage has been calculated by dividing the frequency of a particular cell by the total number of respondents in that particular category and multiplying by 100. Rank correlation between two factors has been established on the basis of the rank of individuals in the whole lot for each of the factors without making an exact measurement for any of the individual. Chi-square test has been used to find out association between the factors. The capital of entrepreneurs with their age, education, community etc. The analyzed data have been finally interpreted to draw the inferences and reported in view of the objectives.

SCOPE OF THE STUDY AND COVERAGE

The study includes the entrepreneurs owning small business units/informal sector units with the initial capital of less than Rs five lakhs. The study has taken into account the entrepreneurs who were involved in small manufacturing, trading and servicing types of enterprise. The small business units / informal sector units have been classified according to the ownership namely sole trader and partnership. The primary data of the study have been generated from the Christian entrepreneurial community which consists of the Tamil Christian entrepreneurs as well as the other Christian entrepreneurs who migrated from the neighbouring states to Chennai and Madurai. Data have been collected from the entrepreneurs from October 1997 to January 1998.
LIMITATIONS OF THE STUDY

1. For the present study, only six variables have been identified in the socio-cultural sphere. There may be some other variables of socio-cultural sphere relevant for the study.

2. Sample drawn from the population of the Christian entrepreneurs is limited. Besides, the entrepreneurs who responded to the Questionnaire are the category of people with the initial investment of less than Rs five lakhs. So, the data presented in the report will be applicable only to the above-mentioned category of the entrepreneurs residing in the cities of Chennai (Madras) and Madurai.

3. The respondents of the study commenced their enterprises with the initial capital of less than Rs five lakhs at different periods namely from 1965 to 1992. But the study has not taken into consideration the devaluation of money over the period.

4. The study assumes the information and data supplied by the entrepreneurs as authentic as the data could not be compared and verified with original books.
CHAPTER ARRANGEMENT

This study is presented in five chapters. The first chapter deals with the importance of entrepreneurship development, review of literature and objectives of the study.

The second chapter attempts to provide a background profile of the 300 Christian entrepreneurs in Chennai and Madurai.

The third chapter analyses the impact of family, migration, caste and religious minority status on the entrepreneurs.

The fourth chapter analyses the influences of entrepreneurial socialization agents and religious beliefs on the entrepreneurs.

The fifth chapter deals with the summary and conclusions derived from the study and the suggestions made thereto.