

**Motivating Factors of Educated
Self Employed in Kerala - A case study of
Mulanthuruthy Block in Ernakulam**

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Reji Raman

**Kerala Research Programme on Local Level Development
Centre for Development Studies
Thiruvananthapuram**

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Reji Raman

1. Introduction

Human beings have been enterprising since the dawn of history. Entrepreneurs are persons who initiate, organise, manage and control the affairs of business units, in order to supply goods and services. They provide the dynamic force in the economic life of a society. The development of the right kind of entrepreneurship is one of the challenges in a developing country like India.

Joseph Schumpeter, who put forward the famous “innovation theory of entrepreneurship”, regards the entrepreneur as one who, through new combinations of the means of production, carries out several functions such as the introduction of new goods, introduction of new production methods, and the opening of new markets. For Schumpeter, entrepreneurship is essentially a ‘creative activity’. It is a phenomenon that comes under the wider aspect of leadership. The entrepreneur in Schumpeter’s conception possesses three qualities, namely: (1) an instinctive capacity to see things as they are; (2) the effort of will and mind to overcome fixed attitudes of thinking; and (3) the capacity to surmount social opposition to doing something new.

Functions of the entrepreneur

Modern writers on entrepreneurship outline broadly three functions of the entrepreneur:

1. Innovation,
2. Risk-taking, and
3. Organisation and management of business so as to have leadership and control over it.

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The Earnst & Young Entrepreneurship Survey in 1998 summed up the necessary characteristics of an entrepreneur. These include ability to recognise and take advantages of opportunities, resourcefulness, creativity, independent thinking, risk-taking and hard working abilities, optimistic nature, innovativeness, visionary capabilities, and leadership qualities.

In the Kerala context, the many complexities involved in pursuing an entrepreneurial career and the problems faced by existing entrepreneurs de-motivate and discourage the unemployed from taking up entrepreneurial careers. They prefer wage/salary employment to entrepreneurship.

In the development of entrepreneurship, individual, group, and institutional problems are encountered. Ultimately it rests on the individual because it is he/she who has to take the initiative and to take the decision to start and manage the enterprise. But he/she also needs the approval and support of his kin, group or community.

Perspectives on entrepreneurship

Social scientists have developed different perspectives on entrepreneurship. Some hold the view that psychological drives for pecuniary gain are present in all societies. But what really matters is the economic environment. The right economic conditions are necessary for the emergence of entrepreneurs. Some explain entrepreneurship in the context of a broad political economy paradigm. For instance, Flavia Derossi holds political power as the main factor in entrepreneurial development in industrialising countries. In this view access to the sources of power is the determining factor of private entrepreneurship. Yet another perspective looks at the issue of entrepreneurship from a sociological point of view. This perspective, the theory of entrepreneurial supply, as elaborated by Thomas Cochran, emphasises cultural values, role expectations, and social sanctions. The entrepreneur in some societies represents a model personality and the individual's performance as a business person is influenced by three factors: his/her own attitudes towards his/her occupation, the role expectations of sanctioning groups, and the operational requirements of the job. According to this view, society's expectations are the most important determinants.

Studies on Indian entrepreneurship: A brief overview

Since entrepreneurship as an academic discipline is in the process of evolution, it still lacks a coherent theoretical foundation. This appears to be one of the reasons for the absence of adequate studies on the various facets of entrepreneurship in India. The studies in India may broadly be classified under the following categories:

1. Conceptual and theoretical issues;
2. Entrepreneurship traditions of particular communities/ castes and occupational groups;
3. Personal, socio-economic, and educational backgrounds of entrepreneurs;
4. Factors of entrepreneurial development.

Tripati (1985) traces the evolution of entrepreneurship as an intellectual discipline and attempts

to provide conceptual clarity by analysing various theoretical contributions. Ray and Ramachandran (1996) survey the theoretical views on entrepreneurship and attempt to put forward a conceptual framework for a comprehensive theory of entrepreneurship. Ramachandran and Ray (1998) is a refinement and extension of Ray and Ramachandran (1996). Here the authors analyse the phenomenon of entrepreneurship and propose a typology based on the outcome of entrepreneurial ventures. Akbar (1993) attempts to trace the roots of ideology, environment, and entrepreneurship in early Islamic societies as revealed by Islamic texts and history. The contributions of Balakrishnan, et al (1998), Dana (1998), Kumar (1998), and Hartwick (1998) also deal with conceptual and theoretical issues of entrepreneurship.

Studies on business communities and castes have a special place in entrepreneurship theory. Cross- cultural studies have indicated that for historical and sociological reasons, certain communities, castes, and occupational groups are quicker in responding to the opportunities for entrepreneurship. In India, a few studies exist falling under this category. Hein (1997) presents a history of Gujarati entrepreneurship from a historical and sociological point of view. He observes that certain communities and castes were more favourably placed than others in exploiting economic opportunities. He suggests that Gujarati entrepreneurship owes its success to the largely exploitative conditions of workers in the State. The State, which has been protective and supportive of entrepreneurship, has been less caring of the working class.

Ramaswamy (1984) analyses the entrepreneurship of tanners in the South Arcot district of Tamil Nadu. The prejudice among Hindus against the handling of dead animal skins is found to be the factor behind the concentration of Muslims in the leather-processing industry. However, their entrepreneurial performance is found to be adversely affected by their unwillingness to borrow from banks since Islam prohibits the practice of lending or borrowing on interest. Guha (1984) traces the migration of Parsis from rural/ agricultural areas to urban/ industrial settings during the 17th and the 18th centuries. It is suggested that the cultural and religious values of Parsis contribute to their entrepreneurship. The opportunities for enterprise during the colonial period facilitated their entrepreneurial success.

Nath (2000) attempts a survey of entrepreneurship in India by caste and region. He observes that in most of the regions, it is not local communities that entered into entrepreneurial pursuits. While traditional business communities like Marwaris, Gujaratis, and Sindhis have established industrial ventures in almost all parts of the country, only in rare cases have local communities emerged as entrepreneurs. He emphasises the need for fostering indigenous entrepreneurship as a way of achieving faster economic growth in some of the North Indian States like Bihar, Uttar Pradesh, and Madhya Pradesh.

There exist several studies on the personal, socio-economic, and educational backgrounds of entrepreneurs. Though these studies provide rare insights into the making of entrepreneurs in the Indian context, they do not permit generalisations about Indian entrepreneurship. Some of the major contributions falling under this category have been made by Manimekalai and Abdullah (1998), Thangamuthu and Iyyampillai (1983), and Anna (1990).

The literature on entrepreneurship development is fairly prolific in India, thanks to the establishment of several institutions for research and training in entrepreneurship development. The basic premise of entrepreneurship development is that entrepreneurship need not necessarily be an inborn trait. It is possible to identify individuals with 'latent entrepreneurial traits' through application of certain behavioural tools and techniques, which can be imparted through specially designed training courses known as Entrepreneurship Development Programmes (EDPs). Some of the major themes in this literature deal with the conceptual and theoretical aspects related to entrepreneurship development and evaluation of the effectiveness of Entrepreneurship Development Programmes. We briefly survey some of the major contributions.

Oza (1988) discusses the major assumptions of Entrepreneurship Development Programmes (EDPs) and its rationale in the context of India. After a brief overview of the history of the EDP movement in India and its contribution to developing small-scale industries, he puts forward a methodology for the evaluation of EDPs. Aswathi and Sebastian (1994) is the first in-depth evaluation of EDPs in India. They have selected EDPs from major Indian States and analysed the success rate in terms of the number of enterprises launched and the financial performance of trained entrepreneurs. The evaluation study appears to be comprehensive, considering the coverage of the study and the methodology adopted. This study also analyses the weakness of the EDP movement in India and puts forward several suggestions for its improvement. Prem (1995) and Sharma (1998) are the two major contributions related to the evaluation of EDPs. Conceptual and methodological issues about EDPs were discussed by Patel (1991), Singh (1989), Deshpande (1985), Azad (1989), and Chakravarthi (1987).

Studies on entrepreneurship in Kerala

Since Kerala lacks in entrepreneurial resources, studies on entrepreneurship are few. An early attempt in this direction was made by Oommen (1981). He studied a group of entrepreneurs who chose to relocate their small-scale units from Thrissur district in Kerala to the neighbouring States of Tamil Nadu and Karnataka. He arrived at the conclusion that the high cost of production, hostile labour relations, and low labour productivity are the major factors that prompted entrepreneurs to relocate their units.

Venkateswaran (1990) makes an attempt to study the socio-economic background of entrepreneurs in Kerala. Based on a sample of 140 entrepreneurs, his study brings out several interesting facts about entrepreneurship in Kerala. A majority of the entrepreneurs hail from "middle castes" such as the Ezhavas and Nairs. The age profile of the sample entrepreneurs (except Muslims) suggests late entry into entrepreneurial career. This suggests that they had explored the possibilities of getting employment before starting their business ventures. The educational background of entrepreneurs is not found to have significant bearing on their entrepreneurial pursuits whereas previous experience in the same product line was found to influence performance.

Nair, et al (1998) is by far the largest survey-based study on entrepreneurship in Kerala. Based on a field survey involving 300 rural entrepreneurs, the study found that in Kerala, contextual circumstances play a dominant role in facilitating entrepreneurship. The institutions

created to support the growth of small-scale industries suffer from complex, cumbersome, and bureaucratic practices and cause problems for entrepreneurs. The study identified the following set of problems:

1. complex procedures; 2. hierarchy; 3. role conflicts among agencies; 4. lack of accountability; 5. arbitrariness; and 6. information gaps.

The support system created for nurturing enterprises and their growth are seen to have become major stumbling blocks for entrepreneurship development.

The paper by Ghosh, et al (1998) presents the finding of the project “Management Development Skills for Rural Enterprises: A Field Investigation” undertaken by the Centre for Management Development, Thiruvananthapuram in collaboration with McGill University in Montreal, Canada. Based on quantitative as well as qualitative data obtained from 73 women entrepreneurs, the study suggest that women in Kerala are capable of taking risk and can successfully resolve work-home conflicts typical of women entrepreneurs, workers, and professionals. However, they require a lot of motivational support from family and friends. Besides imparting institutional training, there is a need for developing “how to” manuals which provide information and guidance for starting and managing enterprises. Beegam and Sarnagadharan (1998) analyses the various facets of women entrepreneurship in Kerala, particularly their personal socio-economic background and the problems they encounter in the process of launching and running their units.

The research problem

Among the States in India, the level of self-employment in the rural sector is one of the lowest in Kerala. Owing to a shift in favour of non-farm occupations within the rural sector, a marginal increase is perceived in recent times in the proportion of self-employed persons in rural areas. For the urban sector, the proportion of self-employed increased in Kerala over the years and has exceeded the national average. But it has not been adequate to meet the demand for employment.

Though the attitude of the educated towards self-employment in sectors such as trade, transport, and communication is improving, there does not seem to be much of a change in their attitude towards self-employment of a productive nature. This is unlike the trend in other States like Gujarat and Punjab, where relatively larger numbers of youngsters take up self-employment in the productive sector. Many observers advance the ‘white-collar hypothesis’ to explain the low levels of self-employment in Kerala. According to this hypothesis, young people in Kerala have an in-built preference for steady, secure jobs preferably white-collar ones. While this hypothesis may contain some plausibility, it may not be adequate to fully explain the reluctance of the Kerala’s educated to start self-employment ventures. It is quite possible that the preference for white-collar employment may be a result of other environmental factors rather than the cause of the problem. It is quite likely that there are a variety of social, cultural, educational, and economic factors that determine the attitude of the educated towards self-employment.

The foregoing review of literature shows that there exist only a few studies on rural entrepreneurship in Kerala. It is in this context that the present study, undertaken in a rural block *panchayat*, gains relevance. It examines the profile of selected entrepreneurs, the factors that contribute towards the making of entrepreneurs and entrepreneurial development in a rural setting.

Research questions

The focus of the study is on the motivational factors which might have influenced the respondents to become entrepreneurs. These motivational might have been the outcomes of the backgrounds from which the entrepreneurs had come or, on the other extreme, might have grown in spite of or even independent of them. In our study, we identified 25 motivational factors and asked the entrepreneurs to indicate the relative importance of each in motivating him/her. Background factors such as family, socio-economic status, educational levels, and previous employment are likely to have influenced the starting of ventures. Further the study looks at the various competencies of these entrepreneurs. Competency in this context is defined as the underlying character of an individual that is related to a person's performance in a job or in a situation. It is assumed that an entrepreneur's competencies have a major role in determining the success or failure of his/her enterprise.

Methodology

The study employed a primary survey among a sample and conducted a case study of a sub-sample of entrepreneurs. The primary survey was conducted among 100 entrepreneurs in the study area of Mulanthuruthy Block in Ernakulam district. The district of Ernakulam has the highest number of industrial units, small, medium, and large scale, in Kerala. Mulanthuruthy Block is spread over 118.38 sq. km and has a population of 1,21,720 living in 25,194 households.

Initially, the list of industrial units in the study area registered with the Taluk Industries Office was collected. The list, not being updated regularly, contained even names of units which had ceased functioning long time back. Also, it contained units which were temporarily registered but had not taken off. The list available with the Taluk Industries Office was thus formed unreliable. Secondly, we approached the *Grama panchayat* offices in the block, for details of the units that pay annual license fees to the *panchayats*. But it soon turned out that there were many who did not pay the licence fees regularly and that the *panchayats* had no system of monitoring the collection of licence fees. In this situation, we were compelled to conduct a census of small industrial units on our own with the help of *panchayat* officials and ward members. The number of units in the block, based on the information collected by our research team, totalled 337. Of these, 71 units were found to be established by entrepreneurs with educational levels below SSLC. Since the target respondents of our survey were educated self-employed, (defined as those with SSLC qualification and above), these 71 units were excluded. Thus the number of units from which our sample was selected came to 266. Out of these 100 units were selected randomly for the survey.

Primary survey was conducted among the 100 entrepreneurs using a pre-tested semi-structured

schedule. After completing the primary survey, a sub-sample of 12 entrepreneurs was selected for detailed case studies. These case-studies, meant to illuminate the processes involved in the making of these entrepreneurs, give an account of the diversity of their socio-economic backgrounds and of their lines of business activity. The entrepreneurial competencies were assessed using a self-administered questionnaire. This instrument for measuring entrepreneurial competencies, had been developed by the Entrepreneur Development Institute of India, Ahmedabad for their training Programmes. The questionnaire with 70 questions was meant to bring out the various competencies that influence the decision of entrepreneurs to start self-employment ventures.

Limitations of the study

There are probably two limitations of the study. (1) The census of industrial units conducted with the help of *panchayat* officials and ward members may not have been exhaustive. It is likely that some of the unregistered units were missed out. Since the sampling is not stratified, the sample may not have been fully representative of the various kinds of units in the Mulanthuruthy block (2) The population of units in each industrial group was small. Despite these limitations, the study is expected to shed some light on the dynamics of entrepreneurship in the specific context of rural Kerala.

2. Profiles of Entrepreneurs and Enterprises

In this section, we examine the general profiles of rural entrepreneurs and their enterprises in our sample. The profiles of the entrepreneurs and the enterprises have been prepared on the basis of data collected through a primary survey among the sample entrepreneurs. The profiles of the entrepreneurs cover their social, economic, and educational backgrounds and previous employment. The nature of enterprises and their performance also are examined. In addition, the possible relationships between their profiles and the performance of the enterprises are explored. The characteristics of women entrepreneurs in the sample are examined to determine whether there were any noteworthy particularities in their background, which influenced their entry into entrepreneurship and their entrepreneurial performance.

Profile of the entrepreneurs

The study found that rural self-employment is still a male-dominated terrain. Only 17 of the 100 sample entrepreneurs are women. There were an almost equal number of Christians (50) and Hindus (49). Because of the small size of the Muslim population in the region, there was only one Muslim entrepreneur in the sample. Sixty entrepreneurs had been married at the time of starting their enterprises and given the fact that most of these entrepreneurs were the sole earners in the family, much of the financial responsibilities of their families fell single-handedly on them.

Though as many as 72 entrepreneurs are presently aged 35 years or above, more than half of them started their first enterprise before attaining the age of 30 years (Table 2.1).

Table 2.1 Age of the Entrepreneurs at the Time of Starting Enterprise

Age Group	Number
< = 20	10
21- 25	20
26-30	26
31-35	25
36-40	11
41-45	3
>45	5
Total	100
Average (Median) Age	30 years

Although this age profile cannot be generalised for the self-employed entrepreneurs as a whole, it does not disagree with the findings of some of the earlier studies which suggested that the entry into entrepreneurship in Kerala is likely to be in the early thirties (Venkiteswaran, 1990) and Mathew (1997). Perhaps, rural entrepreneurs start their enterprises slightly earlier than their counterparts in urban areas.

Since the study pertains to the educated self-employed, only persons who have passed their SSLC examination have been included. However, the educational levels of these rural entrepreneurs cannot be considered very high (Table 2.2).

Table 2.2 Educational Qualifications of the Sample Entrepreneurs

Educational qualification	No. of Entrepreneurs	Average Investment per entrepreneur (Rs)
General Education		
SSLC/Plus 2	56	362917
Degree and above	18	883444
Technical Education	26	394759
Total	100	350876

Only one fourth of the entrepreneurs have had technical training, mostly ITI. Of the 74 entrepreneurs who had general educational qualifications, only 18 had graduation or higher levels of qualification. In general, the investment made by the entrepreneurs seems to increase as the educational qualifications become higher. Seventy entrepreneurs passed the SSLC examination in the third class. Just 5 of the 100 entrepreneurs had passed SSLC in the first class (Table 2.3).

Table 2.3 Percentage of Marks Obtained by the Entrepreneurs in SSLC examination

Percentage of Marks	No. of Entrepreneurs
35-49	70
50-59	20
60&above	5
Not revealed	5

All the entrepreneurs had their schooling in local Malayalam medium schools. Their parents had, in general, lower levels of education than they themselves had. For instance, the fathers of 66 entrepreneurs were not matriculate. Mothers of 61 entrepreneurs also had education much lower than matriculation. However, the educational qualifications of spouses of the entrepreneurs were comparable to those of the entrepreneurs (Table 2.4). Most of them (86) had education above matriculation.

For most of the entrepreneurs, the present business is their first venture. But about one-third (32) had taken up ventures prior to the starting of the present ones. Of these, 24 entrepreneurs are running their present ventures after having burnt their fingers in their earlier endeavours. Though the majority of the entrepreneurs manage a single firm each, nearly one fourth of them manage more than one firm each. Twelve entrepreneurs were running firms which they had inherited.

Table 2.4 Educational Qualification of the Spouse

Course	No.
Below SSLC	26
ITC	5
SSLC	28
PDC	13
DC	18
PG	6
Professional	2
Others	2
Total	100

Table 2.5 Employment Background of the Entrepreneurs

Employment Background	No.
Government Service	8
Private Company Service	48
Jobs in Shops / Workshops	8
Family Business	2
Foreign Employment	2
Agriculture	1
Others	8
Not previously employed	27
Total	100

A vast majority of the sample entrepreneurs had some previous job experience. Only one-fourth of them started their enterprises without any prior work experience. Of the 100 entrepreneurs included in the study, 83 are first generation entrepreneurs.

Profile of the enterprises

A vast majority (85) of the firms are proprietary concerns. The remaining, except a private limited company, were partnerships. Expectedly, the partnership firms invested, on an average larger amounts than proprietary firms. The average investment of proprietary firms in the sample was Rs 2,94,884 as against an average of Rs 10,45,654 for partnership firms. The capital investment of the only private limited company in the sample, which is into manufacturing plastic products, was Rs 70 lakh. Similarly, the average number of employees in proprietary firms was the lowest at 3.8 when compared to 11.3 in partnership firms. The private limited company in the sample employed 22 persons. All the furniture units, jewellery units, and handicraft units were proprietary concerns.

Forty units were started in the past 5 years; 29 units were started 6-10 years ago, and 31 units have been functioning for more than 10 years. Table 2.6 summarises the types of enterprise and the average investment under each type.

Table 2.6 Type of units and average investment

Type of unit	No.of units	Average investment incurred (Rs)
Furniture	17	1,26,000
Food Products	15	2,46,107
Cement Products	8	3,65,000
Engineering equipments	10	2,91,875
Printing	6	2,97,000
Electrical	9	1,59,857
Jewellery	6	34,000
Readymade garments	5	40,000
Plastic products	4	26,83,333
Saw mill	3	11,07,333
Handicrafts	3	1,10,667
Others	14	3,88, 900
Total	100	350,876

Furniture units, engineering and electrical units, and the units manufacturing food products together contributed about one-half the number of units in the area. Units manufacturing plastic products and saw mill units had the highest levels of investment. Readymade garments units and jewellery units had the lowest levels of investment. More than three-fourths of the firms had investment of less than Rs Five lakh, indicating the small size of typical rural enterprises. Funds for investment are raised primarily through external support and nearly two-thirds of the units had received bank loans. Only in the case of 11 units, the funds were solely of the promoters concerned themselves.

It was observed that most of these enterprises were not making use of the primary base of their economy, namely, the agricultural crops such as rubber, rice, coconut, banana, vegetables, and pepper. The linkages between the primary and the secondary sectors of the local economy remain therefore weak. The selection of products by the firms has not been necessarily driven by the availability of local resources.

The selection of the type of enterprise is one of the crucial decisions to be taken by entrepreneurs before starting enterprise. In our sample, nearly half the entrepreneurs had some prior experience in the same or related areas. Thirty-five entrepreneurs reported that their parents or relatives had been employed or engaged in business in related areas. Sixty-two entrepreneurs reported that either they themselves or their parents or relatives, had prior relevant experience by way of having been employed in firms on the same lines as those of their own enterprises. Thus, the rural entrepreneurs in the study area decide on the type of enterprise based largely on their own experience or the experience of their parents or relatives. We found, quite expectedly, that it was mainly the technically qualified (ITC educated youngsters) who started technical enterprises.

Performance of the units

We have already found that most of the enterprises included in the study are small. These enterprises did not follow, by and large, any proper accounting system. The assessment of profits and losses was made difficult by the fact that the figures reported by the entrepreneurs were mostly unreliable. Hence, the entrepreneur's word of whether the enterprise was running at a profit or a loss was taken for the performance of the units. It is likely that some of the entrepreneurs had not included their wages in their assessment of performance despite our best efforts. More than three-fourths (78) of the entrepreneurs reported that they were running profit-making units.

The performance of the units may be influenced by factors which are specific to the entrepreneur concerned some of which lie outside his/her control. In this section, we examine the extent to which success or failure of firms is related to factors such as type of industry, investment, and socio-economic background of the entrepreneur.

Table 2.7 Performance of Different Types of Units

Type of unit	Number of Units	
	Profit-making	Loss-making
Furniture	14 (82)	3 (18)
Food Products	14 (93)	1 (7)
Cement Products	5 (63)	3 (37)
Engineering equipment/services	9 (90)	1 (10)
Printing	2 (33)	4 (67)
Electrical	5 (56)	4 (44)
Jewellery	6 (100)	0 (0)
Readymade	3 (60)	2 (40)
Plastics	2 (50)	2 (50)
Saw mills	2 (67)	1 (33)
Handicrafts	2 (67)	1 (33)
Others	14 (100)	0 (0)
Total	78 (78)	22(22)

Note: Figures in parenthesis are percentage shares of each group. Since the sample contains only a few units under each category, the percentages are shown just to provide an indication of the general pattern.

Of the 100 units in the sample, 78 were units making profit. All the jewellery units and almost all the units producing food products and engineering equipment are running at profit. In the case of all other types of units except printing units the proportion of profit making units is more than 50 percent. Of the six printing units, only two were running profitably.

Amount of investment and performance

The amount of investment is likely to influence the efficiency of firms and their performance.

On the one hand, low levels of investment may not give any scope for innovations, market expansion, etc, while on the other, the operational constraints mount up for those investing higher amounts. The level of investment and the performance of units in our sample are given in Table 2.8.

Table 2.8 Investment and Performance of Enterprises

Amount of investment (in Rs)	Number of Units	
	Profit-making	Loss-making
< 1 lakh	33 (81)	8 (19)
1-5 lakh	24 (77)	7 (23)
5-10 lakh	12 (86)	2 (14)
>10 lakh	6 (75)	2 (25)

Note: 1: Six entrepreneurs did not disclose their investment details. 2: The figures in parentheses indicate share of profit and loss making firms under each level of investment.

The proportions of profit-making firms do not seem to differ widely across investment levels. This may imply that in the context of rural entrepreneurship, the level of investment is not necessarily an important factor in deciding profitability. But while drawing conclusions based on these figures, one should bear in mind that the size of profit may vary according to the level of investment, an aspect that we could not explore in the present study for want of reliable information.

Age of entrepreneur/ enterprise and performance of unit

We have tried to see whether the entrepreneur's age, the age of the enterprise or the entry age of entrepreneur has a bearing on the performance of the firms (Table 2.9).

Table 2.9 Age of the entrepreneur/ enterprise and the performance of the units

Particulars	Number of Units		
	Profit-making	Loss-making	Total
Age of the enterprise (years)			
< 5	31 (78)	9 (22)	40 (100)
6-10	24 (83)	5 (17)	29 (100)
11-15	6 (67)	3 (33)	9 (100)
>15	18 (82)	4 (18)	22 (100)
Age of the Entrepreneur			
30 years or below	13 (82)	3 (19)	16 (100)
Above 30 years	66 (79)	18 (21)	84 (100)
Age of the entrepreneur at the time of starting the enterprise			
30 or below	46 (82)	10 (18)	56 (100)
Above 30	33 (75)	11 (25)	84 (100)

Note: Figures in parenthesis are percentage shares of each group

We find that neither the age of the entrepreneur nor the age of the enterprise has little relation to the performance of the units. The proportion of profit-making firms is slightly higher in the case of entrepreneurs who had started their enterprises before reaching the age of 30 than of those who started late.

Education and performance of the units

The educational backgrounds of the entrepreneurs are presented in Table 2.10.

Table 2.10 Performance of the Units according to Education of the Entrepreneur

Education	Number of Units		
	Profit-making	Loss-making	Total
Technical education	18 (69)	8 (31)	26
SSLC and Pre-Degree	47 (84)	9 (16)	56
Degree and Above	14 (78)	4 (22)	18
Non- technical education-Total	61 (82)	8 (31)	69

Note: Figures in parenthesis are percentage shares of each group

It is surprising to note that the technically qualified entrepreneurs had lower success rates than others. The proportion of entrepreneurs making a profit is slightly higher in the case of those with lower levels of educational qualification (up to the Pre-Degree level) than those with higher levels of education or technical qualifications. Technical education or higher levels of education do not seem to have necessarily helped much in running small enterprises in rural areas.

Prior employment/prior business experience

Prior business or employment experience might help in facing challenges and lead to better performance even if employment had not been in the same or related fields. But it is also likely that experienced people are less receptive to new ideas and developments, an attitude which may negatively influence performance.

Table 2.11 Previous Employment / Prior Business Experience and Performance

	Number of Units	
	Profit-making	Loss-making
Entrepreneur previously employed		
Yes	57 (78)	16 (22)
No	22 (81)	5 (19)
Entrepreneur is first generation entrepreneur		
Yes	14 (82)	3 (18)
No	65 (78)	18 (22)

Note: Figures in parenthesis are percentage shares of each group

The data (Table 2.11) show that previous experiences earned through employment does not necessarily assure good performance. It is also observed that the success or failure of an enterprise is independent of whether it is run by first generation or second generation entrepreneurs.

Type of ownership and performance

The type of ownership of the firm (whether proprietary or partnership) does not seem to have any significant association with profitability. In the case of both proprietary and partnership firms, nearly four-fifths were profit making; the only private limited company in the sample also was making profit.

Gender dimension

Even today, women’s presence in the field of entrepreneurship is limited. We have seen earlier that in Mulanthuruthy block also, male entrepreneurs far outnumber female entrepreneurs. This section examines the various characteristics of the few women entrepreneurs of our sample.

Table 2.12 presents the classification of industries according to the sex of the entrepreneur.

Table 2.12 Classification of the Type of Enterprises by Sex of Entrepreneur

Type of unit	Number of Units	
	Male Entrepreneurs	Female Entrepreneurs
Furniture	17 (20)	0 (0)
Food Products	8 (10)	7 (41)
Cement Products	7 (8)	1 (6)
Engineering equipment /services	10 (12)	0 (0)
Printing	5 (6)	1 (6)
Electrical	8 (10)	1 (6)
Jewellery	6 (7)	0 (0)
Readymade	3 (4)	2 (12)
Plastic products	4 (5)	0 (0)
Saw mill	3 (4)	0 (0)
Handicrafts	2 (2)	1 (6)
Others	10 (12)	4 (23)
Total	83 (100)	17 (100)

Percent. Women concentrate more on food products and ready-made garments industries whereas men concentrate more in manufacture of furniture and engineering requirement. None of the furniture, engineering, jewellery, plastic, and sawmill units are run by women entrepreneurs.

Women run enterprises are characterised by lower levels of investment than those run by men (Table 2.13). For instance, while 59 percent of women entrepreneurs invested less than Rs One lakh, only about one-third of the male entrepreneurs belonged to this investment category. Similarly, the average investment per entrepreneur was only half the average for men.

Table 2.13 Sex-wise Distribution According to Size of Investment

Investment (Rs)	Number of Units	
	Male Entrepreneurs	Female Entrepreneurs
Below one lakh	31 (37)	10 (59)
1-5 lakh	27 (33)	4 (23)
Above 5 lakh	19 (23)	3 (18)
Not revealed	6 (7)	0 (0)
Average Investment per Entrepreneur (Rs)	515260	265247

A majority of the women entrepreneurs were Christians, about three-fifths.

We have also examined whether there is any significant difference between male and female entrepreneurs at the age of entry and in respect of employment and business background.

Table 2.14 Entry of Women into Entrepreneurship

Particulars	Number of Units	
	Male	Female
Age at the time of Starting the Enterprise		
30 or below	50 (60)	6 (36)
Above 30	33 (40)	11 (64)
Previous employment experience		
Yes	64 (77)	9 (53)
No	19 (23)	8 (47)
Parents had business		
Yes	14 (17)	3 (18)
No	69 (83)	14 (82)
Spouse employment		
Yes	15 (18)	11 (65)
No	68 (72)	6 (35)

The spouses of the majority of these women entrepreneurs were employed as against only 15 of the 83 male entrepreneurs (18 percent). While 80 of the male entrepreneurs reported that they are the sole income earners of the family, two-thirds of the women (11 out of 17) described themselves as supplementary income earners of the family. On the whole we find that women's entry into entrepreneurship is not propelled by their husbands' unemployment.

It is found that the age of entry of the women entrepreneurs was comparatively higher than that of their male counterparts. The majority of men started their first business before reaching the age of 30, whereas the majority of the women started their first business after the age of 30. Like their male counterparts, most of the women entrepreneurs are first generation entrepreneurs. While three-fourths of the male entrepreneurs had been previously employed, nearly half the women entrepreneurs ventured into entrepreneurship as their first career.

Table 2.15 Educational Qualification of Entrepreneurs by Sex

Education	Number of Units		
	Male	Female	Total
Technical education	24 (29)	2 (12)	26
SSLC and Pre-Degree	45(54)	11 (65)	56
Degree and Above	14 (17)	4 (23)	18
Non- technical education-Total	59 (71)	15 (88)	74
Total	83 (100)	17 (100)	100

One peculiarity of the women entrepreneur group is the lower representation of technically qualified people than in the group of male entrepreneurs.

The foregoing discussion reveals that the women entrepreneurs in the sample are slightly disadvantaged in respect of background variables than their male entrepreneurs. However, this has not prevented them from performing well in their businesses. In fact, the proportion of profit-making firms is slightly higher among women entrepreneurs. Of the 17 female entrepreneurs in the sample, 15 (88 percent) were making profit. As against this, only 64 of the 79 male entrepreneurs (77 percent) were able to register profits.

It also appears that the women entrepreneurs are more confident than male entrepreneurs about the prospects of their enterprises. The entrepreneurs were asked to record scores according to their own perception about the performance and prospects of their enterprises at their time points: three years ago, at present, and after three years. A 10-point scale was used for the purpose with zero for complete failure and 10 for complete success. Table 2.16 presents the average scores for the male and the female entrepreneurs in the sample.

Table 2.16 Rating of performance by entrepreneurs by sex

Gender	Average Score (out of 10)		
	3 years back	At present	After 3 years
Males	4.4	3.8	3.7
Females	4.7	4.9	5.4
Total	4.5	4.0	4.0

It may be observed that women are far more optimistic about their performance than men. This is perhaps a reflection of the growing confidence women entrepreneurs acquire over time.

On the whole women entrepreneurs are mostly first generation entrepreneurs, whose entry into this field is not driven by any negative circumstances like husband's unemployment. Though their educational qualifications are relatively low, they show good overall performance and are found to be growing in self-confidence.

Supporting and hindering factors

Apart from examining the influence of their general background in the launching and the running of ventures, we have also specifically asked the entrepreneurs, what they thought were the factors that supported or hindered growth of their ventures. Tables 2.17 and 2.18 present the major factors that support or hinder business performance as reported by the entrepreneurs.

Table 2.17 Factors that Supported Business Growth

Factors	No. of entrepreneurs
Favourable market conditions	55
Availability of raw materials	27
Better technology	25
Support of friends and relatives	15
Parents' experience	6
Good product	6
Entrepreneur's own experience in the same field	4

Table 2.18 Factors that Hindered Business Growth

Factors	No. of Entrepreneurs
Unfavourable market conditions	52
Competition	39
Shortage of finance	19
Power problem	10
Costly raw materials	11
Delayed Payments	6
Bad government policy	6
Labour problem	5

We find that external forces such as market conditions, availability of raw materials, competition, etc. play a crucial role in supporting or hindering business growth. Judging from the responses, we find that a majority of them (irrespective of the type of industry) were of the view that market conditions, availability of raw materials, competition and introduction of better technology were the enabling factors.

To sum up: The entrepreneurs in the study area are not highly educated but had acquired some experience before starting ventures on their own. Most of them are first generation entrepreneurs and the decision to become entrepreneurs was not based on their families'

business experience. The majority of them started enterprise at a relatively young age. About one-fourth of the entrepreneurs started fresh ventures despite having made losses in their earlier attempts. In most cases they are the sole income earners of the family. Success or failure seems to be more the consequence of individual talents not necessarily shaped by the entrepreneur's economic, personal, social, and educational background. In rural enterprises which are characteristically small, it is not surprising to find relative homogeneity existing among the enterprises and entrepreneurs. It appears that those differences, which exist, are not significant enough to cause differences in the performance of units. Women entrepreneurs, like male entrepreneurs, are mostly first generation entrepreneurs, whose entry into this field was not driven by any negative circumstances such as their husband's unemployment. Women entrepreneurs, though slightly disadvantaged in their background, have been able to perform equally efficiently as men in making profits. They are found to be growing in self-confidence over time.

3. Motivating Factors

The factors that motivate a person to become an entrepreneur may be classified into prime motivators, motives, compelling factors, facilitating factors, and opportunity factors. The term prime motivators refers to the entrepreneurs themselves and/or their friends or relatives. The major motives behind starting a new venture are to earn more money, to support one's family, to continue a family business or to achieve higher social status. The factors that compel a person to start a new business could be unemployment or dissatisfaction with his/her particular job. Facilitating factors include the availability of idle funds at the entrepreneur's disposal, eagerness to make use of the skills the person has acquired over time, previous experience in the same line, support from friends or relatives and inherited property. The opportunity factors of entrepreneurship are trade information, business contacts, knowledge about sources of raw materials etc., and good education and training.

In this section, we examine the influence of these factors on our sample entrepreneurs. We explore whether the differences in the socio-economic background of entrepreneurs makes any difference in the relative importance of the factors which motivate them. We examine whether any significant differences exist with regard to the importance of these factors as between men and women. The relation between other entrepreneurial attributes and the motivation factors which may influence them is also enquired into.

The influence of the factors on the entrepreneur is measured on the basis of a five-point scale. The maximum score of 5 is assigned to a factor if the entrepreneur considered the factor as 'very important' in motivating him/her to entrepreneurship. The minimum score of 1 is assigned to a factor if it is not at all important. A mean score in the range of 2 or 3 indicates that the factor has a moderate effect of entrepreneurship. A score in the range of 3 or 4 suggests that the factor has high motivating ability. Finally, if the score is above 4, the factor definitely influences a person in becoming an entrepreneur. Initially, the average scores are presented for the total number of units in the sample and for profit making entrepreneurs and entrepreneurs of loss making enterprises. Subsequently, the factors found to have significantly motivated the sample entrepreneurs are analysed.

Prime motivators

An entrepreneur may embark on an enterprise on his/her own initiative or under inspiration from sources such as members of his/her family, close relations and friends, and government agencies. In this section we attempt to identify the prime forces, which motivated the entrepreneurs in our sample (Table 3.1).

Own initiative seems to have been the most important motivator. This is true for entrepreneurs of both profit-making and loss-making units. However, the entrepreneurs of loss-making units scored significantly lower on this factor and scored relatively high on other factors like success stories of other entrepreneurs. Generally, it is assumed that a synergistic effect may be achieved when the self-motivation of entrepreneurs is combined with support from

Table 3.1 Prime Motivators of Entrepreneurship

Factor	Average Score (maximum 5)		
	Profit making	Loss making	Total
Self – This was a decision I took solely by myself*	4.27	3.67	4.14
Success Stories of other entrepreneurs encouraged me	2.43	3.00	2.55
Friends and Relatives persuaded/ encouraged me	2.54	2.38	2.51
Government Agencies	2.53	2.43	2.51
Spouse persuaded / encouraged me*	2.37	1.67	2.22
Teachers persuaded / encouraged me	1.38	1.76	1.46
NGOs	1.35	1.38	1.36

* The difference between profit-making and loss-making entrepreneurs is significant at 10 per cent level.

government agencies. In the case of our sample entrepreneurs, it was found that government agencies had only moderate influence on their entry into business. Further, NGOs seem to have had no influence in motivating people to entrepreneurship.

Entrepreneur's ambition or motives

One of the motivations that give shape to intentions and initiatives of an individual to start a business is the urge for working independently or for expressing oneself. What matters most is what aspirations people have and what they do to realise them. The motives differ from individual to individual. They also differ from family to family, depending upon the circumstances in which the individuals are placed and the priorities which they have set for themselves. Table 3.2 presents the motives of the sample entrepreneurs.

Table 3.2 Motives of the Entrepreneur

Factor	Average Score (maximum 5)		
	Profit making	Loss making	Total
Started the business to support his/her family	4.13	3.71	4.04
I wanted to be on my own rather than working for somebody else	3.82	3.67	3.79
Started the business to earn more money	2.94	3.14	2.98
Started the business for achieving higher social status	2.37	2.19	2.33
To continue the family business	1.85	1.85	1.87

Supporting one's family is found to have been the most important motive for starting an enterprise. The urge to be independent rather than working for someone else was the next important motive. Interestingly, the average scores are slightly lower for loss-making

enterprises on both these motives than for profit-making entrepreneurs. However, the t-test showed that the differences in average scores for profit-making and loss-making units were statistically insignificant for the above factors. The urge to earn more money and achieving higher social status are motives of only moderate influence. The large majority (86 out of 100) of them were of the opinion that their social status improved after becoming entrepreneurs. This seems to be an outcome than a conscious objective. Continuing the family business received only low scores, probably because only few respondents had inherited businesses.

Compelling factors

Sometimes it is external compulsion rather than internal motives that push people to launch their enterprises. People may be suddenly thrown out of employment and may be compelled to seek or accept another job. Remaining unemployed for long periods may also act as a factor. Perhaps the person was totally dissatisfied with the job in which he/she was employed, leaving him no other option but to quit the job. Table 3.3 presents the details regarding the major compelling factors stated by our sample entrepreneurs.

Table 3.3 Compelling Factors Leading to Entrepreneurship

Factor	Average Score (maximum 5)		
	Profit making	Loss making	Total
I was unemployed and I had to do something, so I started a business	2.63	3.05	2.72
I was dissatisfied with the last job	2.08	2.71	2.21

Both the compelling factors appear to be relatively unimportant. But they are more important in the case of loss-making rather than of successful entrepreneurs, implying that becoming entrepreneurs by compulsion is riskier.

Facilitating factors

The factors facilitating entrepreneurship include the encouragement and support from members of the family or from friends or relatives, the experience gained from employment, good educational background, and skills and property acquired or inherited. Support from sources like friends or family may be in the form of material or moral support. Moral support from one's close relations and friends boosts morale, recharges self-confidence, stimulates enterprise, and strengthens people to face challenges, especially those arising in the initial years. The possibility of using idle funds and the easiness of entering a particular line of business are other facilitating factors (Table 3.4).

The skills and experience a person has acquired are the most important factors facilitating entry into a new venture. It is observed that education is not considered even a moderately influencing factor. Education in the State does not give orientation to developing entrepreneurship capabilities. The other factors included in the Table were not found significant.

Table 3.4 Factors Facilitating Entrepreneurship

Factor	Average Score (maximum 5)		
	Profit making	Loss making	Total
To make use of the acquired skills	3.48	3.43	3.47
I had previous experience in the same line	3.03	2.71	2.96
I had a good education	2.73	3.10	2.81
I got support from friends and relatives*	2.49	3.43	2.69
This was a business which was easy to enter into*	2.06	2.90	2.24
I inherited property	1.97	1.71	1.92
To make use of idle funds	1.30	1.52	1.35

* The difference between loss making and profit making entrepreneurs is significantly on this factor at 5 per cent level.

Opportunity factors

The opportunity factors considered were trade information, contacts useful for conducting business, and training on relevant lines. Table 3.5 presents the mean scores for each of these factors.

Table 3.5 Opportunity Factors which led to Entrepreneurship

Factor	Average Score (maximum 5)		
	Profit making	Loss making	Total
I had relevant trade information	3.08	2.90	3.04
I had contacts to start this business	2.94	2.67	2.88
I had good training	1.92	2.14	1.97

At best, the entrepreneurs attribute only moderate influence to opportunity factors. Among opportunity factors, relevant trade information is the most important followed by business contacts. Training was not found an important opportunity factor.

As already mentioned, it is likely that people are motivated by different factors or differently by the same factor. In the following section, we examine whether there exists significant difference among the different groups of entrepreneurs in this respect. The entrepreneurs were grouped according to sex, age of entry into entrepreneurship, education, and size of investment. The difference between the average scores of different groups is statistically tested using t-test or Analysis of Variance (ANOVA). In cases in which ANOVA showed the existence of difference between groups, Least Square Difference (LSD) method was adopted to decide the significance of the observed differences.

The urge to support one's family and the desire to be on one's own are factors crucial in the making of entrepreneurs. It seems that compulsive factors like unemployment have not played

any major role in this regard. Facilitating and opportunity factors having also had only moderate influence. Training, the availability of idle funds or financial capital, the role of NGOs and continuing family business are some of the factors, but only insignificant as motivators.

Sex and motivating factors

It is likely that the motivating factors have been different for male and female entrepreneurs. The average scores of the motivating factors are given in Table 3.6.

Table 3.6 Average Scores on Motivating Factors according to Sex

Factors	Gender		t-value	p-value
	Male	Female		
Prime Motivators				
Self–This was a decision I took solely by myself	4.12	4.24	0.302	0.763
Success Stories of other entrepreneurs encouraged me	2.66	2.00	1.595	0.114
Friends and Relatives persuaded/ encouraged me	2.47	2.71	0.620	0.537
Government Agencies	2.52	2.47	0.099	0.921
Spouse persuaded / encouraged me	1.89	3.82	5.318	0.000
Motives				
Started the business to support his/ her family	3.95	4.47	1.471	0.145
I wanted to be on my own rather than working for somebody else	3.80	3.76	0.075	0.940
Started the business to earn more money	2.96	3.06	0.223	0.824
Started the business for achieving higher social status	2.39	2.06	0.925	0.357
Compelling Factors				
I was unemployed and I had to do something, so I started a business	2.69	2.88	0.480	0.632
I was dissatisfied with the last job	2.31	1.71	1.448	0.151
Facilitating Factors				
To make use of the acquired skills	3.43	3.65	0.508	0.613
I had previous experience in the same line	2.96	2.94	0.049	0.961
I had a good education	2.86	2.59	0.748	0.456
I got support from friends and relatives	2.67	2.76	0.228	0.820
This was a business which was easy to enter	2.41	2.02	1.333	0.186
Opportunity Factors				
I had relevant trade information	3.05	3.02	0.101	0.920
I had contacts to start this business	2.96	2.77	0.624	0.534

Women ranked spousal persuasion/encouragement as a highly motivating factor while male entrepreneurs viewed this factor as only of marginal significance. It was only on this factor that male and female entrepreneurs differed significantly. In the case of women entrepreneurs, supporting their family had a higher score than self-inspiration.

Age and motivating factors

Some motivational factors might vary with age. We tried to determine whether the age of the entrepreneur at the time of starting the business had any influence on the relative importance of the different motivational factors (Table 3.7).

Self-motivation gets the highest score irrespective of the age at which the entrepreneurs started business. On two prime motivators viz. encouragement of government agencies and spousal encouragement, the two elder groups scored significantly higher than the younger group. In the case of all other factors, the two groups are found to be not significantly different from each other, implying that except in the case of assistance by government agencies, the elder and the younger entrepreneurs do not perceive any significant difference in the factors motivating them to entrepreneurship.

Education and motivating factors

The educational level of the entrepreneur is yet another factor likely to affect the relative importance of the motivational factors. Table 3.8 gives the average scores for the various factors according to educational level of the entrepreneurs.

The Analysis of Variance (ANOVA) showed that there has been significant difference between groups in the case of the three motives viz., 'being on one's own rather than working for somebody', 'earning more money', and 'achieving social status'. The Least Square Difference analysis showed that being one's own rather than working for somebody was a motive of significantly higher importance to the lower educated (SSLC/Plus 2) group than to highly educated entrepreneurs. Earning more money was much more important for the technically qualified entrepreneurs than for those with educational qualifications up to Plus-2 stage. Achieving higher social status was considered to be much more important for higher educated entrepreneurs than for the other two groups. Expectedly, achieving good education was considered to be an important facilitating factor by the persons who had higher levels of education. It is also important to note that technically qualified entrepreneurs rated encouragement from friends and relatives as a facilitating factor at a higher level than other groups did. Perhaps, the rural community perceives entrepreneurship as an activity meant for technically qualified people and that the people with general education would be better off if they pursue paid employment.

Business background of entrepreneur's family and motivating factors

It is likely that the importance assigned to motivational factors varies between first generation and second-generation entrepreneurs.

Table 3.7 Average Scores on Motivating Factors according to Age of Entry into Entrepreneurship

Factors	Age of Entry		t-value	p-value
	30 or below	Above 30		
Prime Motivators				
Self–This was a decision I took solely by myself	4.21	4.05	0.588	0.558
Success Stories of other entrepreneurs encouraged me	2.39	2.75	1.129	0.262
Friends and Relatives persuaded/ encouraged me	2.59	2.41	0.626	0.533
Government Agencies	2.16	2.95	2.254	0.026
Spouse persuaded / encouraged me	1.71	2.86	3.968	0.000
Motives				
Started the business to support his/her family	4.14	3.91	0.870	0.387
I wanted to be on my own rather than working for somebody else	3.98	3.55	1.434	0.155
Started the business to earn more money	3.20	2.70	1.541	0.127
Started the business for achieving higher social status	2.41	2.23	0.685	0.495
Compelling Factors				
I was unemployed and I had to do something, so I started a business	2.77	2.66	0.353	0.725
I was dissatisfied with the last job	2.09	2.36	0.858	0.393
Facilitating Factors				
To make use of the acquired skills	3.54	3.39	0.469	0.640
I had previous experience in the same line	2.96	2.95	0.028	0.978
I had a good education	2.75	2.89	0.504	0.616
I got support from friends and relatives	2.63	2.77	0.495	0.622
This was a business which was easy to enter	2.41	2.02	1.333	0.186
Opportunity Factors				
I had relevant trade information	3.05	3.02	0.101	0.920
I had contacts to start this business	2.96	2.77	0.624	0.534

Table 3.8 Average Scores Motivating Factors according to Education of Entrepreneurs

Factors	Education			F-Value	p-value
	SSLC/ Plus 2	Tech- nical	Degree &above		
Prime Motivators					
Self – This was a decision I took solely by myself	4.29	3.81	4.17	1.008	0.369
Success Stories of other entrepreneurs encouraged me	2.70	2.15	2.67	1.120	0.330
Friends and Relatives persuaded/ encouraged me	2.55	2.62	2.22	0.459	0.633
Government Agencies	2.70	2.15	2.44	0.833	0.438
Spouse persuaded/ encouraged me	2.38	2.00	2.06	0.646	0.526
Motives					
Started the business to support his/her family	4.18	3.65	4.17	1.490	0.230
I wanted to be on my own rather than working for somebody else	4.07	3.50	3.33	2.346	0.100
Started the business to earn more money	2.66	3.50	3.22	2.809	0.065
Started the business for achieving higher social status	2.16	2.15	3.11	4.042	0.021
Compelling Factors					
I was unemployed and I had to do something, so I started a business	2.66	3.04	2.44	0.902	0.409
I was dissatisfied with the last job	2.23	2.27	2.06	0.107	0.898
Facilitating Factors					
To make use of the acquired skills	3.52	3.50	3.28	0.162	0.850
I had previous experience in the same line	3.04	3.00	2.67	0.320	0.727
I had a good education	2.50	2.88	3.67	5.728	0.004
I got support from friends&relatives	2.45	3.19	2.72	2.347	0.099

Table 3.9 Average Scores on Motivating Factors of First and Second Generation Entrepreneurs

Factors	Business Background		t-value	p-value
	Second Generation	First Generation		
Prime Motivators				
Self–This was a decision I took solely by myself	4.00	4.36	1.235	0.220
Success Stories of other entrepreneurs encouraged me	2.64	2.41	0.709	0.480
Friends and Relatives persuaded/ encouraged me	2.56	2.44	0.414	0.680
Government Agencies	2.16	3.05	2.489	0.014
Spouse persuaded / encouraged me	2.10	2.41	0.987	0.326
Motives				
Started the business to support his/her family	4.02	4.08	0.220	0.826
I wanted to be on my own rather than working for somebody else	3.87	3.67	0.647	0.519
Started the business to earn more money	3.26	2.54	2.258	0.026
Started the business for achieving higher social status	2.48	2.10	1.378	0.171
Compelling Factors				
I was unemployed and I had to do something, so I started a business	2.62	2.87	0.795	0.429
I was dissatisfied with the last job	2.44	1.85	1.859	0.066
Facilitating Factors				
To make use of the acquired skills	3.41	3.56	0.477	0.635
I had previous experience in same line	3.03	2.85	0.528	0.599
I had a good education	2.95	2.59	1.321	0.190
I got support from friends and relatives	2.93	2.31	2.108	0.038
This was a business which was easy to enter	2.51	1.82	2.366	0.020
Opportunity Factors				
I had relevant trade information	3.13	2.90	0.756	0.451
I had contacts to start this business	3.05	2.62	1.399	0.165

Support from government agencies was considered to be more important for first generation entrepreneurs than for second generation entrepreneurs. The second generation entrepreneurs gave more importance to earning money and they were more dissatisfied with the last job they had held. Support from friends and relatives and easiness to enter the market were factors of relatively higher importance for the second generation entrepreneurs than for the

first generation entrepreneurs though both the groups do not see these factors as very important. In terms of other factors, the difference is not statistically significant.

Investment and motivating factors

Investment is yet another variable which may differentiate the motivating factors. Table 3.10 presents the average scores on motivating factors classified according to the amounts of

Table 3.10 Average Scores Motivating Factors according to Investment

Factors	Investment			F-Value	p-value
	Below 1 lakh	1-5 lakh	Above 5 lakh		
Prime Motivators					
Self–This was a decision I took solely by myself	4.32	4.16	4.09	0.225	0.799
Success Stories of other entrepreneurs encouraged me	2.41	2.52	2.91	0.747	0.476
Friends and Relatives persuaded/ encouraged me	2.49	2.55	2.50	0.017	0.983
Government Agencies	2.24	2.55	3.00	1.311	0.275
Spouse persuaded / encouraged me	2.63	1.77	2.23	2.745	0.070
Motives					
Started the business to support his/her family	4.32	4.06	3.73	1.474	0.234
I wanted to be on my own rather than working for somebody else	4.05	3.81	3.32	1.660	0.196
Started business to earn more money	3.02	3.13	2.45	1.277	0.284
Started business for achieving higher social status	2.20	2.23	2.64	0.867	0.424
Compelling Factors					
I was unemployed and I had to do something, so I started a business	2.83	2.81	2.36	0.740	0.480
I was dissatisfied with the last job	2.00	2.61	1.95	1.672	0.194
Facilitating Factors					
To make use of the acquired skills	3.80	3.26	3.27	1.345	0.266
I had earlier experience in same line	3.10	2.77	3.00	0.310	0.734
I had a good education	2.27	2.84	3.64	8.684	0.000
Got support from friends&relatives	2.56	2.48	2.86	0.469	0.627
This was a business which was easy to enter	2.12	2.10	2.50	0.605	0.548
Opportunity Factors					
I had relevant trade information	3.05	3.00	3.14	0.053	0.949
I had contacts to start this business	2.71	2.94	3.09	0.491	0.613

ments made in the enterprises. Only on the importance given to two factors, education and spousal encouragement, the average scores are found significantly different. The importance given to education increased as investment levels increased. However, spousal encouragement is relatively high for the category 'below Rs 1 lakh' compared to the other two groups. Further, the score on support from government agencies increased as one moves up the investment ladder. Perhaps, this result is reflection of the lack of interest of government agencies in supporting small investors.

4. Entrepreneurial Competencies

Competency of an individual decides his/her performance in a job or any other task. Competent behaviour is the result of a wide variety of factors including an individual's motivation, personality traits, self-concept, knowledge and skill. The competence of the entrepreneur has a major role in determining the success or failure of higher enterprise. In order to perform the tasks of an entrepreneur successfully, specific skills, abilities, traits and motives are required. In this section, we analyse the competencies of the entrepreneurs in the sample.

The original instrument for measuring entrepreneurial competencies was developed by the Entrepreneurship Development Institute of India, Ahmedabad for selection of entrepreneurs for training under their Entrepreneurship Development Programmes. The questionnaire consists of 70 items (statements) divided into 13 categories. Each category represents an entrepreneurial competency. For assessing entrepreneurial competence, a self-administered questionnaire was used (Appendix).

Only 86 of our sample respondents filled the questionnaire. The responses were marked on a five-point scale. A score of '5' was given if the statement very well described him/her; '4' if it describes him/her well; '3' if it somewhat described him/her; '2' if it described little; and '1' if the statement did not in any way describe him/her.

It is possible that many of the dimensions of competency in the inventory used could be very similar and could be manifestations of some core dimensions. In order to analyse competencies of the entrepreneurs, we conducted factor analysis of the response for the 13 items. To test the appropriateness of using factor analysis, we used the Bartlett's test of sphericity and Kaiser-Meyer-Olkin (KMO) measure of sample adequacy.

Bartlett's test of sphericity is 492.931 with a significance level close to zero implying that the correlation matrix is not an identity matrix. KMO measure of sampling adequacy is 0.897. Since the measure is close to one, it is safe to assume that using factor analysis is appropriate. The fact that the computed anti-image correlations are also small further corroborates the appropriateness of the factor model. The factor extraction method used in the present analysis is the principal components analysis. Only items with loadings greater than 0.50 were included in the final analysis. Based on this criterion, four variables were eliminated from further analysis. The excluded variables are assertiveness, concern for high quality, seeing and acting on opportunities, and use of influence strategy. After elimination of the above four variables, the factor analysis was repeated. Table 4.1 contains a summary of the nine entrepreneurial traits which were used in the final analysis. Last column shows the mean scores for different categories ranked according to mean values.

The variables used in the final analysis and the corresponding factor loadings are reported in Table 4.2.

Table 4.1 Summary of Scores on Entrepreneurial Competencies

Variable	Score (% of respondents)				Average Score
	6-10	11-15	16-20	21-25	
Information seeking	0.0	12.6	44.8	42.5	19.56
Efficiency orientation	2.3	13.8	55.2	28.7	18.33
Persistence	4.6	25.3	51.7	18.4	17.23
Problem Solving	8.0	36.8	41.4	13.8	16.09
Initiative	16.1	51.7	31.0	1.1	14.11
Commitment to work	3.4	19.5	57.5	19.5	17.71
Systematic Planning	2.3	28.7	62.1	6.9	16.70
Self Confidence	3.4	24.1	57.5	14.9	16.92
Persuasion	3.4	28.7	54.0	13.8	16.66

Table 4.2 Factor Loadings of Competency Variables

Factors	Factor Loadings
Information seeking	0.572
Efficiency orientation	0.681
Persistence	0.732
Problem Solving	0.581
Initiative	0.721
Commitment to work	0.560
Systematic Planning	0.629
Self Confidence	0.634
Persuasion	0.529

After extraction, varimax rotation was adopted to explain the factors better. The final solution accounted for 62.65 percent of the variance present in the data. The rotation required three iterations to converge. The number of factors was chosen on the basis of the criterion of extracting components with Eigen values above 1. The screen plot also showed a clear knee at 2 components. The number of factors identified by the factor analysis is two. The screen plot also provides support to the adequacy of taking two factors.

The two factors and their correlation with the competence variables used in the final analysis are presented in Table 4.3.

It is evident that the two factors are efficient in explaining the relationships that are present in the data. The first factor is a combination of variables, efficiency orientation, persistence, problem-solving, information-seeking, systematic planning, commitment to work, and persuasion. The second factor is a combination of initiative and self-confidence. These two underlying factors may be tentatively conceptualised as Factor A and Factor E. Factor A is indicative of the behavioural style of the individual in dealing with situations. It may be described as an approach dimension to problem-solving.

Figure 4.1 Screen Plot of the Factor Analysis Model

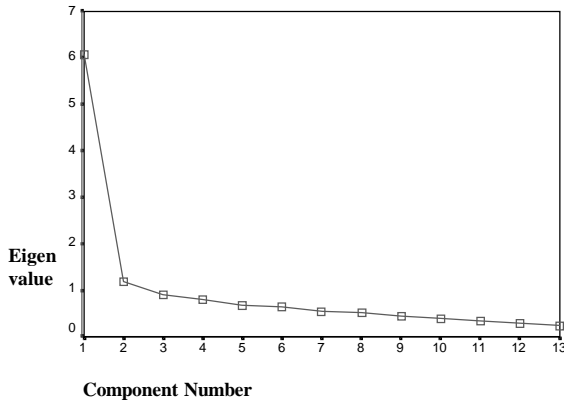


Table 4.3 Rotated Component Matrix

Variables	Factor 1	Factor 2
Efficiency orientation	.824	.04
Persistence	.762	.389
Problem Solving	.759	.06
Information seeking	.753	.07
Systematic Planning	.745	.273
Commitment to work	.706	.243
Persuasion	.638	.348
Initiative	.109	.842
Self Confidence	.184	.774

The individual approaches the situations in a very conscious and calculated manner and tries to solve them in a systematic way, evaluates the alternatives and rationally approaches the situations so that he/she can make the most out of the available situations or resources. He/she does not approach situations or problems in an instinctive way. This factor shows an approach or behavioural pattern or cognitive style of the individual rather than a potential or an inherent strength. This factor explains 46.67 percent of the variance.

The second factor (Factor E) is the personality dimension, which is a combination of initiative and self-confidence. This is something, which comes from within the individual, which makes him/her do certain things, which others may not. He/she is a leader, not a follower. Rather than waiting for things to happen, he/she makes things happen. This factor explained only .15 percent of the variance. This could be the elusive quality of the entrepreneur, which is popularly known as entrepreneurship.

Approach or strategy could be developed by an individual through training or experience. Achievement through enhancing the competencies under Factor E is difficult to attain through training because it is more of an inherent quality developed over a long period of time. This is largely an internal dimension.

One may have initiative but no self-confidence or alternatively he/she has self-confidence but no initiative. Only if a person has self-confidence and initiative and he/she approaches problems or situations in a systematic way, he/she is likely to be a successful entrepreneur.

Further, we have explored whether there is any significant difference between the profit-making and loss-making units with regard to the two factors identified by the factor analysis. We have employed the t-test for testing the difference in the means of the factor scores. The results are presented in Table 4.4.

Table 4.4 Results of the t-test on factor scores between profit-making and loss-making units

Factor	Mean Value		t-value	p value
	Profit-making units	Loss-making units		
Approach (Factor A)	-0.1112	0.3496	2.100	0.042
Personality (Factor E)	-0.0353	0.1110	0.574	0.570

The results presented in Table 4.4 indicate that there exists significant difference between profit-making and loss-making units on the ‘approach’ factor. The difference is not significant on personality factor. This is significant because it provides some evidence that it is not the inherent personality dimension alone that determines entrepreneurial success, but the approach of the individual to problems as well.

Scope for future research

The study indicates different directions for future research. The study covered only a small number of loss-making units. If a larger number of loss-making units are included in the study, the conclusions derived would become more reliable. Secondly, the study has covered industrial units engaged in production of different products / services. If the study covers more homogenous groups of industries, thereby controlling extraneous factors, the effect of industry-related factors could be minimised. It may be preferable to take the profit-making and the loss-making units of a particular industry, since such an exercise gives more meaningful results. Besides, it may be possible to compare between different groups of industries and compare sex differences in the competencies if a sufficiently large sample is taken from male and female entrepreneurs.

Appendix to Chapter 4

1. Initiative

The competency of a person to take actions that go beyond the job requirements or the demands of the situation. The following statements are included in the research instrument as measures of initiative:

1. I look for things that need to be done
2. I do things that need to be done before being asked to by others
3. I do things before it is clear that they must be done
4. I take action before it is clear that I must
5. I wait for direction from others before taking action

2. Sees and Acts on Opportunities

The statements are:

1. I like challenges and new opportunities
2. I prefer activities that I know well and with which I am comfortable.
3. I notice opportunities to do new things
4. I try things that are very new and different from what I have done before
5. I take advantage of opportunities that arise

3. Persistence

It is the competency to action to overcome obstacles that get in the way of reaching goals. The statements are:

1. When faced with a difficult problem, I spend a lot of time trying to find a solution
2. I try several times to get people to do what I would like them to do
3. When something gets in the way of what I am trying to do, I keep on trying to accomplish what I want
4. When faced with a major difficulty, I quickly go on to other things
5. I try several ways to overcome things that get in the way of reaching my goals

4. Information Seeking

It is the competency to take action on one's own to get information to help reach objectives or clarify problems. The statements are:

1. When starting a new task or project, I gather a great deal of information
2. I seek the advice of people who know a lot about the problems or tasks I am working on
3. I take action without seeking information

4. When working on a project for someone, I ask many questions to be sure I understand what that person wants
5. I go to several sources to get the information to help with tasks or projects

5. Concern for High Quality Work

Acts to do things that meet or beat existing standards of excellence

The statements are:

1. It bothers me when things are not done very well
2. It is important to me to do a high quality job
3. My own work is better than that of other people I work with
4. When something I have been working on is satisfactory, I do not spend extra time trying to make it better
5. I want my company to be the best of its type

6. Commitment to Work Contract

Places the highest priority on getting a job completed.

The statements are:

1. I give much effort to my work
2. I work long hours and make personal sacrifices to complete jobs on time
3. I do whatever it takes to complete a job
4. When I am doing a job for someone, I make a special effort to make sure that the person is satisfied with my work
5. I do not let my work interfere with my family or personal life

7. Efficiency Orientation

Finds ways to do things faster or with fewer resources or at a lower cost.

The statements are:

1. I find ways to do things faster
2. I am not good at using my time well
3. It bothers me when my time is wasted
4. I find ways to do things for less cost
5. I get the most I can out of the money I have to accomplish a project or task

8. Systematic Planning

Develops and uses logical, step-by-step plans to reach goals.

The statements are:

1. I plan a large project by breaking it down into smaller tasks
2. I think about the advantages and disadvantages of different ways of accomplishing things
3. I try to think of all the problems. I may encounter and plan what to do if any problem occurs
4. I deal with problems as they arise, rather than spend time trying to anticipate them
5. I take a logical and systematic approach to activities

9. Problem Solving

Identifies new and potentially unique ideas to reach goals.

The statements are:

1. I think of unusual solutions to problems
2. I think of many new ideas
3. Once I have selected an approach to solving a problem, I do not change that approach
4. I think of many ways to solve problems
5. If one approach to a problem does not work, I think of another approach

10. Self-Confidence

Has a strong belief in self and own abilities

The statements are:

1. I feel confident that I will succeed at whatever I try to do
2. I change my mind if others disagree strongly with me
3. When trying something difficult or challenging, I feel confident that I will succeed
4. I do things that are risky
5. I stick with my decisions even if other disagree strongly with me

11. Assertiveness

Confronts problems and issues with others directly

The statements are:

1. I feel badly about others when they have not performed as expected
2. If I am angry or upset with someone, I tell that person
3. It is difficult for me to order people to do things
4. When I disagree with others, I let them know
5. I tell people what they have to do, even if they do not want to do it.

12. Persuasion

Successfully persuades others

The statements are:

1. I get others to support my recommendations
2. I convince others of my ideas
3. I get others to see how I will be able to accomplish what I set out to do
4. I am very persuasive with others
5. I cannot get people who have strong opinions or ideas to change their minds

13. Use of Influence Strategies

Uses calculated strategies to affect others.

The statements are:

1. I develop strategies to influence others
2. I do not spend much time thinking about how to influence others
3. I get important people to help me accomplish my goals
4. In order to reach my goals, I think of solutions that benefit everyone involved in a problem
5. I get to know people who may be able to help me reach my goals

5. Case Analysis

In this section, we present detailed case studies of some of the entrepreneurs included in the sample. These case studies were made through in-depth interviews with entrepreneurs. It is expected that these case studies will help in illustrating the various scenarios that facilitated these individuals to take up entrepreneurial activity.

Case 1

Personal Background

Line of Business: Ready-made Garments

Religion : Christian

Caste : Jacobite

Sex : Male

Marital Status: Unmarried

Age: : 29 years; He started Business at the age of 26

Earlier Experience: Yes; but not in the same line

Education

The entrepreneur is an ITC Draftsman (Mechanical). After SSLC, he joined for Pre-Degree Course (PDC) in a college in Ernakulam. He got admission for 2nd group. He did his schooling in a rural area and was happy to be in town with enough cash in hand and lots of enjoyment. He did not pass his PDC examination. Then he joined an ITC near to his house. He was actually interested in doing a course in Fitter trade but could not make it. So joined for Draftsman Mechanical course. He passed it with 60 percent marks.

Family Background

The entrepreneur is the youngest with three siblings

Father: Studied up to the Fourth standard; was running a teashop in his home town for a long time. All the family members used to get up early in the morning at 4 am and work. The family used to stay in the tea shop. He had only five cents when he started the business but now owns six acres of land and a house.

The entrepreneur has gained a lot from interactions with his father. The entrepreneur's father was very good at maintaining relations with customers. When he returned the money he had borrowed from friends and relatives he used to pay a small interest to keep them happy. This actually improved relations with friends and well-wishers. Also he kept very cordial relations with his customers, enquiring about their health, family, etc.

His father has now closed down his teashop and concentrates on agriculture. The business was closed down when marriage proposals started coming for his sister and *chayakada* (tea-shop) was found to cast a stigma.

Mother is a housewife with education up to the 5th standard.

Brother: 40 years. Did ITC plumbing and was helping father. Later on, set up a bakery in the place of his father's teashop.

Brother: 38 years; ITC, was in the Indian Airforce; did his MA, LLB, and MBA while in service; now a practising lawyer.

Sister: 36 years; B.Com; Worked in several banks in temporary posts; now work as Store Keeper in a co-operative bank's book stall. Her husband is a distributor of electrical goods. He has some relatives doing flourishing business and he wanted to become like them. He feels that the seeds of doing own business had been sown in him at a very young age when he used to help his father in business.

Employment history

After his ITC programme he worked with a road contractor for six months. He was planning to take license as a PWD contractor and start contract work on his own. Since the contractor happened to be his cousin help was promised. He supervised road works, and dealt with people who used to come to work at the work site. After six months he joined Crompton Greaves as apprentice. The work involved drawing of machine parts; which he felt was not a challenging job. He was not happy with the work and resigned it after six months to join another contractor but this time as an accounts-assistant. He was involved in disbursing money to workers at various work sites. So he had to carry cash with him to various places. After one year he got fed up and left the job. He came back to his hometown and assisted his brother in his bakery business. He used to go to the city and make purchases for the shop and also assist his brother at the shop in handling customers. He was with his brother for two years.

The road to business

When he was in school he had used to help his father at his tea shop. Through this interaction he had learnt a lot about customer relations. The life was strenuous and a sort of dissatisfaction had crept into the minds of all the members of the family. Always the option of going for agriculture was there. Moreover, being a rural area, a kind of stigma was attached to tea shop (*Chayakada*) owners. This problem aggravated when marriage proposals started coming for his sister. So the entrepreneur's father closed down his business and turned to full time agriculture. The entrepreneur had noticed that there was a need for a bakery and cool-drinks stall in the area. So when the family wound up the tea-shop business, he suggested that they start a bakery in the empty building remaining empty a suggestion to which all agreed. The entrepreneur's brother put up a cool drinks' stall there and he assisted his brother.

During the free time in the evenings the entrepreneur used to meet his friends at a common place. There was one of his friends who shared his ideas. Both thought that they should do some business. They had an urge to do business and were always on the lookout for a suitable business option. Though they discussed various options they were not able to zero-in on one. In the same group, there were two friends who were running a garment unit. One of them was planning to sell off his unit as he had some health problem. So the two friends

who were looking out a venue for “doing some business” fell for the garment unit, which was available for purchase for Rs 60,000. The unit was small, doing stitching and embroidery works. Since the investment was not high they were immensely attracted to this. However they did not have money with them and decided to talk to their parents. Enthusiastically they presented the business idea to their parents but were discouraged from the venture. There were two flopped cases in their area, both the units, which everybody knew. But the two prospective entrepreneurs were not ready to give up. They spent two days with a common friend to study about the garment industry. During the course of the discussion they decided to start a new unit since they got to know that they would get a bank loan for the purpose.

Their friends and parents redoubled their objectives against the starting of the garment unit; but they stood their ground and were adamant to get into the business. “If it is going to be loss we will stop it at that point” was the attitude. The bank loan was sanctioned with the influence of a friend. They bought new machines and rented a place alongside the main road and started the business.

Business history

Churidar was their main product. So they arranged a cutter, two tailors, and one person for doing embroidery work. It is only two days before the inauguration that they learnt that they needed a design to start with. They ran to one of their friends who gave them a design. Work started and they started selling finished goods in the market. But nobody seemed to be interested in the product. After a few days, a retailer told them that their embroidery work was good but the shape of the government was not. It was an old fashion design. The retailer showed him some good designs. The entrepreneur imbibed the design in his mind and explained the same to his cutter. Unfortunately the cutter did not know how to cut this new design; he was an “outdated” cutter. So after 19 days into business the entrepreneur learnt that he had hired a wrong person and had to sack him. Fortunately one of the girls who were doing embroidery knew how to cut the design; she took up the cutter’s post. She had earlier unsuccessfully run a garment unit. Now the entrepreneur and his friend came to know that cutting is a very crucial job in this kind of business and they cannot depend on others. Therefore they decided to learn cutting themselves. His cousin came to their rescue and taught them cutting. His partner took up the cutting job and he did the marketing. The new design fetched good business and they appointed more tailors in their unit. There was one good customer in Arakkunnam who gave big orders and also made cash payment. This was the person who had told him about the design fault in his first product. The entrepreneur developed good relations with this man who gave advice to the entrepreneur on how to run the unit and do business. The entrepreneur used to spend a lot of time at this friend’s shop and see how he did business. “He was like a father to me” – the entrepreneur said. Business progressed and he was offered a job by a wholesaler. In this assignment, he had to use his labour power. The material and the design were supplied by the wholesaler. They planned to brand their *churidars* and spoke to the retailer-customer-cum mentor. The latter agreed to stock the products but left the burden of a promotion campaign on the producer himself. The *churidhar* was given an attractive name, ‘Sweet Girl’. But suddenly, there appeared a sudden slump in the market and garments got overstocked in the shops all over the places; slowly the business had to sell garments on credit. The market became short of cash. Garment sales

slumped further. The number of tailors in the enterprise came down to two. Even they had work for only half the day. Now the entrepreneur is planning to wind up the business. He is waiting for his partner to get placed somewhere else and then move on to the restaurant business.

He has plans to start a good quality restaurant in his home town. He has already laid the foundation for it. It is on a three-cent land, which his father had bought. He is confident that the new venture would succeed. According to him there are many labourers in this area who get good wages and are ready to spend liberally on good food, especially during evenings. There are around 15 small building / mosaic contractors each having 15-20 regular workers. The majority of the workers own two-wheelers. They have the purchasing power and they want to eat good food. He feels that these people will be looking for an eating place that is better in ambience and food than the earlier *chayakada* of his father. The workers would be willing to pay a little more for added facilities and better-quality food. Well this time he does not intend to work in the kitchen; he plans just to manage the show leaving the rest to workers.

Observations

The entrepreneur is full of enthusiasm and desperately wants to do business. He has a trade certificate but is not interested in that trade. So the job he got on the basis of his technical education was not liked by him. The odd jobs that he did also did not enthuse him and he did not hesitate to quit those jobs in quick succession. He has done the same with his new venture as well. Though he tasted success in the beginning, when he found that the market is turning bad, he is planning to close it down and look for another business.

He was born into a family, which was doing a small business – a tea-shop. Right from his childhood days he was involved in business one way or the other. He strongly feels the seed for the urge to start business were sown in him by his childhood itself. He learnt many things from his father, which he practises now. He had imbibed the running of the business very well and had made plans to expand it. However, the family members thought otherwise and closed it down. He immediately identified another line of business to be run in the place, a bakery. But this kind of foresight or ability to identify business was not shown by him when he started business jointly with his friend. Food business has a lingering fascination for him; he is finally planning to start a modern, large-size, restaurant in his home town.

Had there been somebody to guide him when he was planning new projects it could have changed the way he did business. After he started the garment business he got a mentor, his customer who guided him and helped him do good business. But market slumped and he lost business.

The entrepreneur is young and enthusiastic with a business background. His urge to make more money, his family background, and success stories of business drove him to take up entrepreneurship. This type of entrepreneur needs a mentor to convert his/her enthusiasm into a viable business venture.

Economic Status – Low in childhood, now better
Background – Rural
Prime Motivator – Self
Ambition – To earn high income
Compelling reasons – Dissatisfaction with present job
Facilitating factors – Success Stories, Support from Friends & Relatives
Opportunity Factors – Trade Information

Case 2

Personal background

Line of Business: Ayurveda Medicines and Hospital.
Age : 52 years; started the enterprise at the age of 30
Religion: Hindu
Caste: Nair
Sex: Female
Marital Status: Married
Earlier Experience: Yes; with her father at his dispensary.

Education

The entrepreneur has done her DAM from the Ayurveda College Tripunithura. Her schooling was in the Malayalam medium.

Family Background

Father: He was a fairly successful Ayurveda *Vaidyan*. He had a couple of Ayurveda medicines developed by him, which was well accepted.

Mother: Was a housewife

Brother 1: Is an advocate and practises at Ernakulam

Brother 2: He has degrees in Ayurveda and Allopathy and was supposed to carry on the father's profession. Unfortunately he died in a car accident.

Husband: A Diploma-holder in Automobile Engineering, he is helping her in business. He had run an automobile workshop, which he wound-up after three years for lack of good business. Then he ventured into manufacturing aluminium caps for bottles. The main buyer was the Government of Kerala. The caps were used for sealing arrack bottles. However, the rise in the price of aluminium eroded the margins of the firm. Besides, the government started supplying arrack in plastic packets. Though the Association of Cap Manufacturers fought a case against the government and succeeded in getting an assurance to supply arrack in bottles, cup manufacturers did not get any gain. The government by then had started manufacturing caps on its own. The entry of suppliers from Tamil Nadu also ate into the market of local cap manufacturers. In these circumstances, he had to wind up the cap business. After marriage, he began assisting his wife in her business.

The Road to Business

The entrepreneur had shown interest in the preparation of Ayurvedic medicine and in her father's business. However, her father became disoriented when his son died in an accident and lost all interest in business. He was not keen on his daughter (the entrepreneur) taking up his profession; she spent her time reading books. However, the urge to become a medical practitioner was always there in her. Once with the permission of her father she took up a medical case in which her father had lost hope. The patient was in a critical stage. She was able, surprisingly enough to cure the patient completely of the disease; even after 23 years, she is alive.

Immediately after her education she was married and she moved to her husband's place. Her husband was at that time an entrepreneur who used to spend most of his time on his workshop. His wife, the entrepreneur, set up a small dispensary in her home premises and began treating patients. She used to prepare the required Ayurveda medicines on her own. Meanwhile the business in which her husband was involved ran into heavy loss and was shut down. Thereupon, the husband thought his wife's business needed to be developed.

Business history

The entrepreneur's husband soon got fully involved in the business. The couple took a bank loan and started manufacturing Ayurvedic medicines on a large scale. The medicines developed by her father but remaining unsold came in handy. They were carefully selected, categorised, and marketed. They appointed a sales force and aggressively marketed the medicines. These medicines had a plain taste and were easy to consume. They did well in the market and with the rising incomes, the organisation began to flourish. Soon in-patient facilities were set up. Later on, the entrepreneur secured the Good Manufacturing Practice Certificate for the production facilities they had. A fairly large building for expanding the in-patient facility has been constructed. The entrepreneur has, over time, specialised in treatment of infertility. Now the hospital has visiting doctors specialising in other streams of medicine. The entrepreneur and her husband are able to offer more and more specialised treatment to their hospital.

Observations

The entrepreneur had an urge to start medical practice after her graduation. In spite of her father being a practising Vaidyan and her husband an entrepreneur, she did not receive any encouragement from them to start a business on her own. However, she managed to set up a small dispensary in her home premises to satisfy her inner urge.

When her husband's aluminium cap business flopped, he joined his wife's enterprise. The medicines developed by her father were of great help. Though the entrepreneur used to tell her husband about the idea of setting up a pharmaceutical unit, he did not show any enthusiasm. But finally he agreed. A pharmacy for preparation of Ayurvedic medicines was started; and the venture became an unqualified success. However, the entrepreneur was not involved in the management part. She concentrates on the preparation of medicines and the

treatment of patients. Her husband looks after the management of the firm and the marketing of the products.

The proposition of a husband-wife team in business has worked out well in this case. The husband has business experience. The wife has good product knowledge. This is also a case of women entrepreneurs receiving little encouragement to begin with.

Now the entrepreneur is happy and is looking forward to expand her business on a big scale.

Economic Status: Much better now

Prime Motivation: Self

Ambition: Professional success and economic improvement

Facilitating factors: Experience in the same line

Selection of the line of business: Easiness of Entry

Case 3

Personal Background

Line of business: Engineering workshop

Age: 32 years; Started business at the age of 27

Religion: Hindu,

Caste : Vishwakarma (Blacksmith)

Sex: Male

Marital Status: Single

Earlier Experience: Yes; in the same line

Education

The entrepreneur passed SSLC in the first attempt. The performance at the SSLC examination was average. He studied in a government school

Family Background

Father: Studied up to the 4th standard. A blacksmith who used to work in blacksmithy workshops. He had an ambition to set up a workshop of his own; did not want to work under others all his life. Now he has realised the dream through his son-the entrepreneur. Now both father and son work together in the workshop.

Mother: Studied up to 4th standard; housewife.

Sister 1: 30years, studied up to the 8th standard; housewife.

Sister 2: 28 years, studied up to the 9th standard; housewife

Brother: 26 years; has completed Pre-Degree course; working as a machine assistant at Popular Automobiles Pvt. Ltd.

Employment Background

After passing the SSLC examination, he joined his uncle's 25-year old business at Ernakulam,

a workshop which manufactures concrete mixers, gates, grills, and iron furniture. The workshop fetched a plenitude of orders and is thriving in business. The entrepreneur was a confidant of his uncle and used to manage the business. After 10 years, he wanted a break and so moved on to construction work. Later the entrepreneur together with his friend started a workshop. This workshop also manufactured concrete mixers. After two years the partners broke off.

Business History

The entrepreneur set up a concrete mixer manufacturing unit on the Ernakulam-Vaikom highway at Udayamperoor. This was a spot he had identified for its great locational advantages and good visibility. Since he was not in a position to take a loan (as he already had taken one in his name) he managed to raise a loan in his friend's name.

The business is progressing well and now has three innovations to his credit.

1. Tamper-proof lock system
2. Noise reduction system
3. Removable parts

His uncle has influenced him a lot: "I am at this position because of my uncle", he says.

Observations

The entrepreneur is very enthusiastic. He is confident that he would be able to do excellent business in five years. Once the loan is repaid, he will take another loan and start full-scale production. The entrepreneur has good knowledge of a wide range of blacksmithy works. He can do a variety jobs related to repairing and servicing of machines and vehicles, but not engines. He is also a good automobile mechanic. Ten years of experience in his uncle's enterprises has imparted great confidence in him. This has also helped him to effectively marshal resources.

Prime Motivator: Self

Ambition: Economic improvement

Facilitating Factors: Previous Experience in the same line

Economic status: Low in childhood, now better; because of successful business

Background: Rural

Case 4

Personal background

Line of Business: Electronics

Age : 37 years; started doing business at the age of 17

Marital Status: Married

Religion: Christian

Denomination: Jacobite

Sex: Male

Previous Experience: Yes; in the same line

Education

The entrepreneur is a Diploma-holder in Mechanical Engineering from a reputed Poly Technique, with 77 percent marks. He had his schooling in the Malayalam medium.

Family Background

Father: SSLC and owns a hardware shop in Mulanthuruthy town.

Mother: SSLC; a housewife

Brother: 40 years, Postgraduate in Commerce; runs a stationery store

Sister 1: Graduate in Commerce; housewife

Sister 2: Graduate in Commerce; housewife

Wife : Graduate; house wife

He hails from a highly educated family

Employment History

Soon after obtaining his diploma, he got a job in a Public Limited Company in his hometown itself. He has been working there ever since then and now holds the post of a Senior Engineer.

The Road to Business

The entrepreneur has an aptitude for electrical engineering. He showed entrepreneurial traits from his childhood. He used to wind transformers and sell them in the nearby radio repairing shop. This was when he was in the eighth standard, at the age of 13. At that age, he also designed a water level controller for overhead tanks. By the time he reached his PDC, he started making voltage stabilisers and selling them in the market in the name "Voltrip". He had three employees even at that time. Since the entrepreneur was not able to provide a service backup he had to stop the voltage stabiliser business. Then for some time he made STD lock and marketed them.

After his diploma, he joined the public limited company. But he always had the urge to do something on his own. Once it so happened that the company was planning to sub-contract the work to manufacturing connectors. The entrepreneur grabbed the opportunity and set up a unit for manufacturing the required item. He set up a unit and registered it in his wife's name.

Business history

The entrepreneur started business with an investment of Rs 15 lakh. Of this 10 lakh was loan and 5lakh was put in by the two partners, one his wife and another, his brother. The unit has grown and now it has 80 workers working in three shifts. He has introduced many methods to improve productivity in his plant. He has studied these techniques from the organisation he works in. He has combined various processes and improvised machines to increase production and to reduce labour.

Now he is planning to set up another unit so that he could sell his products in the market. At present he is bound by a contract not to sell his products outside the company in which he works.

Observations

The entrepreneur is a person who showed innovative qualities right from his childhood. Later he got admission in an institute and passed with good marks. Immediately he got a job but after few years grabbed an opportunity that came his way and has excelled in that business.

The entrepreneur is under contract from the parent company which buys his products. This has given him an assured market. He has waited for seven years before starting to produce goods when he became confident of an assured market. He kept on working with the firm and started the unit in his wife's name, though she is not much involved in the business.

The entrepreneur uses time and motion studies to fix time for each job and rates each of the 80 employees using a performance chart. He has also worked out an incentive package. He has improvised machines and combined processes so as to improve production and reduce the number of labourers, for augmenting has improved productivity.

This entrepreneur has lot of drive and ability to do business.

Prime Motivation: Self

Ambition: Economic achievement

Facilitating factors: Experience in the same line

Opportunity Factor: Contacts

Selection of the line of business: Easiness of entry

Economic Status: Good even to begin with; much higher now.

Background: Rural

Case 5

Personal Background

Line of business: Cement Products

Age: 36 years; started doing business at the age of 31

Religion: Christian

Denomination: Jacobite

Sex: Male

Marital Status: Married

Earlier Experience: Yes, but not in the same line

Education

The entrepreneur is an Industrial Trade Certificate Holder (as fitter). This he passed in the second attempt with a first class. He did his schooling in a government school.

Family Background

Father: Studied till the 2nd standard; Farmer

Mother: Illiterate; Housewife

Brother 1: 40 years, Passed SSLC examination; owns a provisions store in the nearby town

Brother 2: 30 yrs, SSLC holder, Auto-rickshaw driver

Sister 1: 42 years, SSLC; Housewife

Sister 2: 39 years, SSLC holder; Housewife

Sister 3: 37 years, Passed Pre Degree; Housewife

Sister 4: 26 years, Passed Pre-degree; Housewife

Wife: Has done ITI course in Civil Engineering; Helps the entrepreneur in business

Employment background

After doing his ITC course, he was moving around with his tiller doing tilling jobs. In 1990 he got a job offer from Singapore as a fitter in a shipping company. He left for Singapore and worked there for five years. This proved a turning point in his life. He got an opportunity to work with people of different countries (China, Malaysia, Singapore). He saw the way people work hard. Everybody used to work with enthusiasm and there was a touch of professionalism in whatever they did. This inspired him a lot; he too started working in the same manner. He saw how productive he had become and felt proud of himself. After five years he came back to Kerala, got married, and settled down in his native village.

The Road to Business

The entrepreneur had some landed property. He together with his father cultivated their land. However, he was on the lookout for a suitable business. It took one full year before he could zero-in on a business option. He felt that building construction activities would continue for long time in Kerala and that a business related to such activities would succeed. After a series of discussions with a few friends, he decided to manufacture hollow bricks.

Business History

Once the idea to start a hollow brick unit got into his head, he visited many units in the line. He studied how the units functioned and became confident that he could do the business. He invested Rs Five lakh and started a unit at his residence. He got a loan of Rs.3 lakh; he had with him Rs One lakh; and another Rs One lakh he got from his uncle. His uncle was happy to hear that he was going to do some business and voluntarily offered Rs. one lakh. The entrepreneur did good business in the first year and towards the end of the second year, he bought a lorry for delivering the hollow bricks at the construction sites. However, after some time when the glut in the real estate began the entrepreneur helplessly saw his sales coming down. Even when the glut started he ventured into a closely similar business together with one of his friends. They together started a unit for manufacturing pavement bricks.

Observations

The entrepreneur was an average person with not so good academic qualifications. He got a

job in Singapore and worked there for five years and finally came back and settled in his native place. The Singapore stint totally changed his outlook. He saw people working with enthusiasm and professionalism and gaining satisfaction from the various jobs they did. He also interacted with people from different countries. On coming back to Kerala he felt he should be doing some business of his own. However, he did not jump into business but he took time to identify a business that suits his tastes and then invested in it. He set up a hollow-bricks manufacturing unit and his wife, an ITC (Civil Engineer) holder helped him out in handling the intricacies of the construction industry. He did very well in business and also set up another unit in partnership with a friend of his – this time the product was pavement bricks – a line extension. But the glut in the construction industry brought down his sales. Now he looks forward to improvement of the market conditions.

Prime Motivator: Self

Facilitating Factor: His experience abroad. Support from family and friends

Economic Status: Medium, now a little better thanks to his business here and his job in Singapore.

Background: Rural

Case 6

Personal Background

Line of Business: Woodwork

Age : 28 years; Started business at the age of 24 yrs

Marital Status: Married

Religion: Christian

Denomination : Roman Catholic

Sex: Male

Earlier Experience: Nil, but his father was a carpenter

Education

The entrepreneur has passed SSLC examination with 41 percent marks.

Family Background

Father: Studied up to the 4th standard; was a carpenter at a public sector carpentry company. Retired; Guides his son in business.

Mother: Illiterate; Housewife

Sister 1: Studied up to SSLC; Housewife

Sister 2: Studied up to SSLC; Housewife

Sister 3: Studied up to SSLC; Housewife

The Road to Business

After retirement, the entrepreneur's father felt he should start some business activity of his

own. His son also felt the same; so both teamed up to set up a wood planing unit. The entrepreneur took a bank loan, attended a six-day training programme conducted by DIC, and started the business unit.

Business History

The unit is now four years old. The father and son team has invested Rs Three lakh of which Rs Two lakh is bank loan and Rs one lakh own contribution. They started the workshop in a small shed in front of their house. They hired four workers to begin with. Though it was a planing unit they used to take up all kinds of woodwork. When work orders increased they hired more workers. After three years they constructed a building in the homestead, in the space adjacent to their house, created by filled a pond. The building is spacious enough to house all their machinery and equipment.

Now they are in a position to even cut designs on the machine using improvised moulds. For this the entrepreneur goes to Coimbatore and sits with a blacksmith to get moulds according to his requirements. He saves a substantial amount on moulds and goes to Coimbatore once in two months to make new designs.

Both father and son work together. His father taught the entrepreneur from his experience all the intricacies of woodwork. Now he has assumed complete charge of the business, his father taking up work only when there is a work overload or if there are problems which the entrepreneur finds difficult to solve by himself. The entrepreneur and his father have devised new techniques of cutting down costs in order to provide services at prices lower than those charged by his competitors. He has introduced innovation in their machine by which waste-wood is converted to reapers. Usually the cost for planing is recovered from the sale proceeds of reapers. This work requires great skill, which both father and son have mastered. The unit now works in shifts.

The father-son team had to face some problems *en route*. Sound pollution was one of them. The neighbours used to complain about it. But the team tactfully managed the situation. Subsequently, a neighbour began to object to their building construction plans. This was sorted out with the help of local politicians. The next problem that they faced was erratic power supply. The unit is completely power-dependent. They learnt that power supply became erratic on purpose. The only unit in that area was his. Realising this fact the entrepreneur spent some time with the linemen and treated them with liquor and delicacies. The entrepreneur now claims that the local KSEB functionaries are now on his pay roll and that he now faces few problems as far as power is concerned. He continues to be a prospering entrepreneur in spite of the glut being experienced in the building business.

Observations

The entrepreneur was drawn into business by his father. His father had good experience in wood works and persuaded his son to start a carpentry unit. He wasted no time – prepared a project report, submitted it to the bank, and got a loan. Thus, his father played a major role

in motivating him to start a business. His father was there throughout and imparted the skills required for woodworks. The management of business (viz. identifying market, dealing with officials, etc) was new to both of them. However, they together learnt about it and managed the business well. The entrepreneur's father is slowly withdrawing from the business and gets involved only when absolutely essential.

The entrepreneur and his father brought about several changes in the design of the machine and the production process. The innovations helped in bringing more customers and promoting the business.

This is a very good example of how a mentor created an entrepreneur.

Prime Motivator: Father

Ambition: Economic progress

Facilitating factors: Support from father

Economic Status: Low in childhood, fairly high now

Background: Rural

Case 7

Personal Background

Line of Business: Manufacture of Engineering Implements

Age: 49 years; Started business at the age of 23 years

Marital Status: Married

Religion: Hindu

Caste: Ezhava

Sex: Ezhava

Earlier Experience: Yes; in the same line.

Education

After SSLC, which he passed in first attempt with 56 percent marks, he joined for the Plus Two Course in the II group which he found he did not like. Therefore, he joined the ITI course with Instrument Mechanism as the chosen trade. He passed the course with 90 percent marks. His schooling was in the Malayalam medium.

Family Background

Father : Studied up to the 5th standard; Ran an oil mill, now being looked after by one of the brothers of the entrepreneur

Mother : Illiterate; Housewife (now retired from all work)

Brother 1: 65 years; Matriculate; Runs a provision store at Mulanthuruthy

Brother 2: 54 years; Completed PDC and runs an oil mill

Brother 3: 51 years; Completed High School transport business

Sister 1 : 73 years; Studied up to 3rd standard; Housewife

Sister 2 : 69 years; Studied up to the 6th; Housewife
Sister 3 : 61 years; Undergone TTC; a retired government school teacher
Sister 4 : 60 years; Studied up to the 4th standard; Housewife
Sister 5 : 58 years; SSLC holder, Nurse in a private hospital in Hyderabad.
Sister 6 : 57 years, TTC holder; Teacher in a Government School at Palakkad
+Sister 7 : 55 years; Matriculate; Nurse at Ernakulam General Hospital
Sister 8 : 53 years; Graduate in Botany; Teacher at a school in Palluruthy.

The entrepreneur is the youngest sibling. The male members in the family are all into business. The father had owned an oil mill, which is now being looked after by his brothers of the entrepreneur.

Employment Background

The entrepreneur started the business at the age of 23. He left his business halfway on receiving an offer of a job in the Gulf countries; he reached Bombay but could not go beyond. In Bombay, he got a job in an engineering firm. He worked as a tool room fitter. After a year he returned to Kerala. His parents pleaded to him to stay with them.

The Road to Business

After his ITI, the entrepreneur remained unemployed for a while. It was during this time that his brother-in-law who was in Instrumentations, Palakkad suggested to him to start some business. He suggested that an engineering workshop could be a good option since he knew about the market. Under his guidance, the entrepreneur set up a workshop. For one year he did small jobs and did not have the kind of income he had expected to earn. Then he got a good order from FACT. He did it to their satisfaction. He started getting more work from FACT. At this point of time, he got a job offer from the Gulf region. His family persuaded him to go. Entrusting the business to a caretaker he proceeded; however this time too he did not succeed to proceed further. In Bombay, he secured a job in an engineering workshop. This workshop used to sub-contract work to smaller workshops. This gave the entrepreneur the idea that if he approaches big workshops he might get work. After one year he returned to Kerala under pressure from the family. They wanted him to look after the family business. The entrepreneur was not interested in the family business. He was looking for other avenues.

He started manufacturing shafts and assembling mixies; but the mixie company was not able to pay back the loan and therefore had to be shut down. So his manufacturing facility remained idle. His brother-in-law came to his rescue and got an order for him to develop a valve for Instrumentations, Palakkad. This was a costly valve imported from outside the State. The entrepreneur was able to make it to their satisfaction and he got more work. He was able to provide the valve at a cheaper rate too. After that he received enquiries from Cochin Refineries, FACT, Indian Oil Corporation, etc. When business became stable, he added more people and machinery to his enterprise. Now he specialises in machining and lathe work. He now claims that his unit has extra-ordinary heavy duty lathes which nobody else in Kerala has. This is a line of specialisation, into which the entrepreneur fell quite by accident. He took up work which others could not do and added machines as and when required. Now he is successfully running the unit.

Observation

The entrepreneur came into business because of the persuasion of his brother-in-law and of his educational qualification in the same line. Once he started it he got addicted to it and never gave up in spite of failures. He slowly developed the infrastructure to do specialised jobs. And he has since commanded good reputation in the market.

He feels that the workshops in the nearby areas are doing only small jobs. This is because they do not have the facility. To specialise on one job alone one needs to invest a big amount. So they abstain from it. He suggests the setting up of an industrial estate in which there would be a group of workshops specialising in one job. The estate should be able to take any kind of job connected with machining and lathe work.

Prime Motivator: Self, Brother in law

Facilitating factors: Previous experience in the same line

Economic Status: Improvement in economic status

Background: Rural

Case 8

Personal Background

Line of business : Readymade Garments

Religion : Christian

Denomination : Roman Catholic

Sex : Male

Age : 42 Yrs; Started business at the age of 23 yrs

Marital Status : Married

Earlier Experience : Yes; in the same line

Education

The entrepreneur is a graduate in Economics. He did BA in an evening college as he had been already doing business. He did his schooling in a government school. He had breaks between courses as he was helping his sister in doing business.

Family Background

Father: Studied up to the 4th standard; did poultry business in the premises of his house. This was a low profile business and the income was not enough to meet both ends.

Mother: Studied up to the 7th standard; Housewife.

Brother: 28 years; Passed SSLC, examination; working as helper to a contractor

Sister 1: 34 yrs; Passed Pre-degree; Housewife

Sister 2: 30 yrs; Passed SSLC examination; a nun

Sister 3: 26 yrs, Passed Pre-degree, Housewife

The entrepreneur's father and one of his sisters were into business; father's poultry business was not successful; his sister ran a garment unit for which the entrepreneur had his apprenticeship.

The Road to Business

Since the poultry business run by the entrepreneur's father was not bringing in enough money, his sister started a tailoring unit which grew into a small garment-making enterprise. She used to get orders from wholesale merchants and she supplied night-gowns and *churidars* to them. The entrepreneur used to help his sister in the business right from the age of 17 after completing his PDC course. Later on he studied on a part-time base, together with management of his business. The entrepreneur learnt cutting and tailoring from his sister and slowly got completely involved in the business. He used to do the marketing. However, he used to get slowly involved in designing and tailoring also. When the entrepreneur's sister got married, he inherited the whole business.

Business History

The entrepreneur started earning for his family at the age of 20 when his sister got married. He shifted the shop from his house to a prominent area. It required an investment of Rs 2.5 lakh, which he mobilised through a bank loan (of Rs 60,000) and friends. He supplied night-gowns and *churidars* to wholesalers in Ernakulam market. He used to create designs and show them to the wholesalers. The designs approved by the wholesalers were made at his unit. This business did not pick up well and within one year he had to shift back his enterprise to his house premises due mainly to a slump in the market. The entrepreneur feels that the market does not show signs of improvement in the foreseeable near future. The garment market is very competitive and requires large amounts of credit.

Observations

The entrepreneur got involved in business at a young age. He continued the business that was run by his sister after she got married. He was able to marry off his sister with the money generated from the business. He grew in business at a formidable pace but the slump in the market affected him and he had to shift his unit to his house premises.

He has not adopted any modern techniques to improve productivity. He is happy with what he earns now. He has no idea about the future market and has not taken any concrete step to overcome problems likely to arise in the future. However, the entrepreneur is not ready to give up and sees himself as the owner of a big garment making unit in the days to come. He has plans to build a house of his own and also a separate building to house the garment unit. The main reason for his starting, rather continuing the family business was the need to support his family. With the returns from the business he was able to marry off his two sisters.

Prime Motivator: Relatives

Ambition: To support family; to continue family business

Economic status: Low in childhood, now better due to business income
Background: Rural

Case 9

Personal Background

Line of business: Moulded Plastic

Age : 41 yrs; Started business at the age of 24 yrs

Religion : Hindu

Caste : Kshathriya

Sex : Male

Marital Status : Married

Earlier Experience : Yes; in the same line

Education

Has done AMIE and passed the examination with 90 percent marks. For his PDC (I group) and SSLC also he was placed in high first class.

Family Background

The entrepreneur belongs to a family, which enjoy high social and economic status. He is the youngest in the family and has eight elder siblings. His father was *Sirasthadar* (Manager) in the Kowdiar Palace of the Maharaja of Travancore.

Father: Studied up to the 5th standard.

Mother: Studies up to the 4th standard; Was Housewife.

Sister 1: 62 years, BSc (Nursing); was Matron at Government Medical College.

Sister 2: 57 years, BSc (Nursing); was Nursing Tutor at the Government School of Nurses

Sister 3: 53 years, M.Sc (Nursing); Nursing Tutor at the Government School of Nurses

Sister 4: 51 years; Graduate; Office Superintendent in State Road Transport Corporation, Madhya Pradesh.

Sister 5: 48 years, Graduation; Teacher in a private school.

Brother 1: 60 years; Passed Pre-degree; was a head cook in a star hotel.

Brother 2 : 58 years; Holds Diploma in Mechanical Engineering; Circle Inspector in Special Action Force, Madhya Pradesh.

Brother 3: 55 years; Graduate; Deputy Superintendent in Special Action Force, Madhya Pradesh.

The entrepreneur had served in the Defence Services for a WHILE.

Employment background

After his degree the entrepreneur got a job as Supervisor in an Ordnance Factory. He was in charge of the maintenance plant in the chemical division. He worked there for four years. He

was forced to leave the job on health reasons. Then he moved on to an ancillary unit of Bharat Heavy Electricals Ltd (BHEL). He was reportedly a highly efficient employee. He used to give 400 percent production per day while the lowest allowed was 80 percent. He developed strained relations with his fellow workers who were able to give only the minimum prescribed production or thereabouts.

The entrepreneur left the job, came to Kerala and bought an ancillary unit of Hindustan Machine Tools (HMT) in partnership with a few friends who had been working with him in BHEL. The products were metal parts of equipment. He started business by taking a loan of Rs 4 lakh and investing the amount in the unit. While the unit was performing well, he broke away and started new business.

Business History

The entrepreneur set up his present unit in 1985. He invested Rs Eight lakh of which Rs Five lakh constituted a bank loan. His company manufactured plastic machine parts. Being himself an engineer, he successfully designed and improvised machines according to requirements of the company and thus significantly on investment. Also during the course of business he introduced several changes in the machines which he used to produce new machine parts.

Immediately after he had his unit up, a friend of his working in KAMCO gave him an opportunity to prove himself. There was a plastic part of the tiller, which was being imported. He successfully manufactured the part and succeeded in securing a large order from KAMCO. Soon he started supplying plastic mechanical parts to manufacturers of soda-makers and mixies. Using imported materials he produced high-quality products. He had few competitors. He also had a group of trained workers who were able to produce quality products. Moreover, the entrepreneur spent a lot of time in the factory together with his workers to ensure quality.

The sales touched their peak point in 1997-'98, but then began sliding down. Now they are only Rs 5 lakh per annum, a 50 percent fall from their 1997-98's level. He is uncertain about the future market prospects. But he is decided to expand capacity and diversify production.

At present the profit levels are quite low. He hopes that the market would revive.

Observation

The entrepreneur started the business on his own. Though born into a family, which was socially and financially well-placed, he had little business background. He still maintains his earlier old standard of living. He is the youngest in his family and has eight siblings. All the siblings were employed in good jobs. He also had taken up a job in government organisation. He left it for health reasons but soon entered into business. It seems that the entrepreneur is a person who finds it difficult to adjust with colleagues. He narrated a few stories of his physical confrontations. He has complaints about the way his workers worked. Probably he has bad relation with his workers and many have already left him.

The entrepreneur is aggressive and full of energy. Very little of his enthusiasm, however,

transforms into business success. He is highly quality-conscious person. Right from his childhood, he has been getting high marks in school; wherever he worked, he has given perfectly quality products. That may be the reason he finally landed himself in the making of high precision products while the majority of entrepreneurs in the line were satisfied with making low quality, moulded products. He feels that customers would come even without great marketing efforts, if the product is of high quality.

Prime Motivator: Self

Ambition: To improve economic status

Compelling Reasons: Inability to continue in employment under others.

Facilitating Factors: Previous experience in the same line

Opportunity factors: Training and experience.

Economic status: High right from early childhood

Background: Suburban

Case 10

Personal Background

Line of business : Printing
Religion : Christian
Denomination : Jacobite
Sex : Male
Age : 42 Yrs; Started business at the age of 23
Marital Status : Married
Earlier Experience : Yes; but not in the same line.

Education

The entrepreneur is a SSLC holder who passed the examination in two attempts. He went for Pre-degree but did not complete the course. His schooling was in the Malayalam medium.

Family Background

Father: SSLC holder; was a PWD contractor; used to do good quality work, hence made very little savings. Respected by PWD Engineers. Delays in receiving final payments for works done caused him great losses. In a particular case, he completed a PWD work with a bank loan of Rs 8 lakh. Since payment by PWD was delayed by three years, he had to pay Rs 2 lakh to the bank by ways of interest. After that he stopped contract work and is now looking after the cattle at home.

Mother: SSLC holder; Housewife.

Brother 1: 48 years; Law Graduate. Branch Manager of Kerala State Financial Enterprises (KSFE).

Brother 2: 46 years; ITC holder; Runs a press of his own in the nearby town.

Brother 3: 33 years; Chartered Accountant; Finance Manager at Supplyco.

Sister: 40 years; SSLC holder; Housewife.

Wife: SSLC holder; Housewife

Employment

After his PDC (not present) the entrepreneur worked as a photographer's assistant for three years. After that he worked as an agent in Peerless Insurance Company for two years.

The Road to business

At the age of 23 during the time the entrepreneur was working as an Insurance Company agent and doing good business, he happened to approach a printer for canvassing a policy. The printer was going to US and he wanted to sell off his press. He offered a commission of Rs 5000 to anybody who could find a buyer. The entrepreneur thought he could find somebody and discussed the matter with his elder brother. His brother advised him to buy it. The brother felt that the entrepreneur was not then having a respectable job. The entrepreneur had only Rs 20,000 in cash with him and the press cost Rs 60,000. The entrepreneur spoke to the neighbour whom he found out that the printer had married, and who, in turn, influenced the press owner. He agreed to take an advance amount of Rs 20,000 and receive the balance amount (minus the commission amount of Rs 5000) in instalments within a period of three years.

Business History

After starting the business, the entrepreneur gave notice to the Insurance Company saying he is quitting the job due to personal reasons. The entrepreneur learned the various intricacies of the printing job from the printer from whom he bought the press. He learnt all the tricks of the trade and started making money. He paid the outstanding balance due to the former owner in the stipulated time. Once all his dues were paid and had the press in his name, he realised that the letter press he was using had become outdated. It was the age of the offset press. He took a bank loan and bought a mini offset printers since he could not afford a big press all at once. Getting the loan, however, took one full year and in the process he lost valuable time. His press now prints notices, registers, notebooks, bills, invitation cards, etc. He got regular orders from Hindustan Organic Chemicals Limited (HOC). He used to get Rs 1.5 lakh worth of work every year from HOC; now the annual value of orders from this company has come down to Rs. 10,000. This organisation has become heavily automated and the requirement for printed forms and letter heads has drastically come down. He is likely to lose even this amount because the remaining departments of the company are also getting automated and computerised. He feels totally helpless and blames the government for the policies being followed. He says he has applied for a subsidy three years ago, but with no avail. The government is least bothered about the small entrepreneurs, he complains. When one starts business, the Electricity inspectors, the Sales Tax personnel, the Income tax personnel, the Labour Officer and the *Panchayat* officials all make their presence with diverse demands even for personal gratification. The entrepreneur had to take *Panchayat* licence, Collector's licence, the consent of the neighbourhood, and many other things. So a businessman has time only for pampering the government officials and not to run his business.

The entrepreneur does not want to shift into another business. He has had a bad experience. After he started the press, the entrepreneur felt that the city did not have a cold storage. Meat and chicken were costly items at that time. So he rented a shop in the same town and put up a cold storage. He bought chicken from a poultry farmer and other meat from a butcher. Slowly he felt that he could sell fish also along with meat. So he made arrangements with a wholesaler in Udayamperoor and started to sell fish. Business was not as good as he thought it would be. The butcher did not supply the required amount of meat, as there was a shortage of meat at that time. Once he bought some costly fish in a large quantity. He washed the fish thoroughly and put it for sale. He should not have cleaned the fish as the dirt and the thin covering on the fish would have contributed to its weight. The first day he was able to sell about five kg only. Unfortunately in the next day's newspaper there was news about contaminated fish in the market and therefore, there were no takers. So he stopped selling fish. After that he continued selling meat and chicken but the quantity of meat supplied by the butcher was too small to even enable him to meet the overhead costs. So finally when the debts to the butcher accumulated, he sold the shop to the butcher. He sold it at a loss of Rs 38,000. The butcher was able to run it profitably as he had sufficient quantity of meat to sell; since one of his relatives was a fisherman he got a regular supply of fish also. Moreover being a butcher himself, he would kill and dress the chickens himself, which the entrepreneur would never do. So the entrepreneur has learnt that he should not do a business he cannot handle well. He does not want to burn his fingers again.

The entrepreneur says: – “I have no intention of becoming a millionaire. We should think of people who do not have even 10 percent of what we have. We should be able to get our daily bread. This is what I tell my children also. Study well so you can earn your daily bread.”

Observations

The entrepreneur was pushed into business. He never wanted to do business and never had any business acumen. He had an inclination towards art which even now shows up in the way he has printed his visiting card and done up his office. This is the reason why he had chosen to work with a famous photographer. Just because he had some difference of opinion with his “master” (as he likes to call him) he relinquished the profession in toto. He knows very well that he is doing a business for which he is not at all equipped. He has now got into business and is not able to get out of it as it has brought him lot of debt. In order to repay loans, he feels he has to be in business. He has around Rs 5.5 lakh of loans from banks and private financiers.

He tried doing another business, but that too failed. His father too was not able to do the business well. His brother who runs another press in the nearby town is facing similar problems. His third brother and one sister who are not doing any business are living happily according to the entrepreneur.

This is a case similar to that of a person learning bicycle riding. Somebody has pushed him onto it and left him, he very well knows he does not know riding and to stop the bicycle he will have to fall. Since he does not want to fall he keeps on riding.

Prime Motivator: Brother
Facilitating factors: Support of Relatives
Selection of the line of activity: Easiness of entry
Economic Status: Medium in childhood, Now also medium
Background – Rural

Case 11

Personal Background

Line of Business : Printing Press
Age : 40 yrs; started doing business at the age of 36
Marital Status : Married
Religion : Hindu
Caste : Brahmin
Sex : Male
Previous Experience: Nil

Education

Has holds BSc. (Chemistry) degree. All through his education career, he was a below-average student, passed his examinations in the second class. The Pre Degree (PDC) and BSc courses were passed in the second attempt. During his PDC examinations, he fell ill and during his B.Sc examinations he found he was not well-prepared and therefore withdrew half-way. His schooling was in the Malayalam medium.

Family Background

The entrepreneur belongs to a famous Brahmin family. The family has a famous temple of its own. Every male member in the family performs the *pooja*, by turns. According to the entrepreneur, the family does not take any income from the temple and the little amounts received in the temple are used for the temple itself. However, from local enquiry, it is understood that the temple is a source of substantial income which is shared among the members of the family. The temple is prospering well, and thousands of devotees visit it every Sunday. The area around the temple is prospering as well with numerous buses plying between the place and Ernakulam.

Father: SSLC holder; Temple priest.

Mother: SSLC holder; Housewife.

Brother: 43 years; PhD in Biochemistry. At present, researcher at a Medical University in the USA.

Sister: 45 years; Degree holder in Zoology; Housewife. Her husband runs an agency for Ayurvedic medicines and a partner in the two business ventures of the entrepreneur. He hails from a family which has links with traditional *Vaidyans*.

Wife: Is a postgraduate in Economics, Housewife.

The Road to Business

The entrepreneur after doing his BSc continued to be a *poojari* (priest) in the family temple. His work in the temple was confined to early morning and late evening hours. So he had a lot of time for other activities. He began to feel that *poojaris* are respected only inside the temple but they received scant social respect. He teamed up with his brother-in-law, who was an agent for a branded Ayurvedic medicine. They held discussions with an Ayurvedic practitioner who happened to be the uncle of his brother-in-law. He was a hereditary physician. They resolved to start an Ayurvedic clinic at Tripunithura, a nearby urban centre. Accordingly, they rented a place at Tripunithura and started a hospital in partnership with his brother-in-law. They invested Rs 8 lakh in the hospital. This investment was done over a period of three years without taking any loan. The hospital had good business as they had a good doctor on the roll. However after some time the doctor left the hospital. The business declined from then on. Then they appointed a doctor who had good reputation; but he turned out to be too patient-oriented and prescribed only very few medicines and much less treatment. The doctor, therefore, did not bring in revenue even to meet the maintenance of overheads; the hospital began making losses. Some enquiries came for certain unethical services. The conscientious entrepreneur flatly refused to flout ethical norms. He closed down the hospital and started a printing press, his present enterprise. This line of business was chosen on the suggestion from a friend who was a dealer in machine tools. The machine tools dealer was only doing his business of trying to sell his machine, not necessarily helping his friend. The entrepreneur did not realise this. During 1999, the printing business dwindled following the crash in the real estate business and many small printers closed shop. The entrepreneur is, however, toying with the idea of starting an Ayurvedic extracting unit. He feels that the press would be required for printing brochures, notices, labels on packets, etc.

Business History

The printing business brought in orders for the first six months without much effort. Then orders ceased to come and now the entrepreneur has very little work. He has not tried to promote his business by meeting potential customers in the area. He feels that he does not have high quality skilled labour with him for operating the press! A person whom he hired at a high price ditched him. It happened during Christmas time when orders had to be executed in stipulated time. On the last day of execution of particular order he found he could not carry it out, since he did not know how to do it and he left the place in a jiffy. However, the entrepreneur and his other workers finished the job overnight. He again learnt that depending totally on others for this skilled job is dangerous; he had similar experience in the earlier venture, the Ayurvedic hospital, too.

The total investment for the business was Rs 25 Lakh, of which Rs 15 Lakh was bank loan, Rs 7.5 Lakh raised from the other partners and Rs 2.5 Lakh raised by the entrepreneur himself. The partners in the business include his sister and brother-in-law. They do not have any major role to play in the business.

Other Issues

The entrepreneur feels that his education (Graduation in Chemistry) had helped him while conversing with senior Ayurvedic Practitioners. He was able to imbibe a lot about Ayurveda from these discussions. This knowledge would have helped him in the herbs extraction unit, which he had planned along with his partner while in the hospital business. Also the entrepreneur has technical aptitude. By the end of the first year, he was able to rectify the minor technical snags that propped up in the printing press from time to time without consulting or taking the help of the service engineers.

Observations

The decision to start a business had risen from the urge to get recognition in the society and also to get a break from the monotonous life of a temple priest. His urge for social status was whetted by the fact that his brother was well placed and commanded social respect. Also his brother-in-law was doing good business. He fell for the suggestion immediately when his brother-in-law proposed to take him as a partner. All the businesses were started by the entrepreneur based on recommendations from friends or relatives, not on his own calculation and judgement. This is one of the reasons why the entrepreneur failed in both the enterprises. However, in the case of starting an herb extraction unit he has made some homework. He has made an assessment of the market. He has also gained substantial knowledge about the proposed activity. The entrepreneur is a very soft-spoken and God-fearing person.

He says he wants to grow up slowly and that he is not in a hurry to capture a big market. His new unit is only one year old; His first priority is to repay the loan taken from the bank. He is not sure about the market prospects but would 'wait and see'. He was never an achiever. Nor does he have any innovations to his credit.

He plunged into business without gauging its merits and demerits. The entrepreneur's prime motive is to be known as a businessman. As long as this requirement is being satisfied, he is satisfied. He has money pouring in from the temple. In both his earlier ventures, he tasted success in the initial stage and he was happy with it.

This kind of entrepreneurs would keep on incurring losses and will learn business only the hard way. By the time he gets learned, he would have exhausted himself and his funds. His *poojari* style of living has gone deeply into his grain.

Prime Motivator – Brother-in-law, Self

Ambition – Higher Social Status

Compelling Reasons – Free time, idle funds

Facilitating Factors – Support from Relatives

Economic Status – Low in Childhood, now higher due to income from the temple

Case 12

Personal Background

Line of Business: Food Products

Marital Status : Married

Age : 42 years; 38 years at the time of starting the business
Religion : Christian
Denomination : Catholic
Earlier Experience: nil

Education

The entrepreneur studied in a Malayalam medium school at Thiruvalla. She attended the Plus 2 Course (Group IV), but could not pass the examination.

Family Background

Father: SSLC holder; Served in the Indian Army. After retirement took-up the contract of supplying sand to the *Panchayat*. Later started a provisional store in his home.

Mother: SSLC holder; Helps her brother in his food products business.

Brother: Studied up to Pre-degree; Doing own confectionery. Sells his products to bakeries in the locality at Thiruvalla.

Brother: Studied up to SSLC; Working in a private firm in Dubai.

Brother: Studied up to SSLC; Unemployed.

Husband: Studied up to MCom; Clerk in a nationalised bank. Highly interested in the business of his wife and supports her in her business efforts.

Road to Business

The entrepreneur after getting married settled with her husband in Mulanthuruthi. She had long thought of starting a food products business, like the one her brother was running in Thiruvalla. Her mother and brother enthused her to do so. Since her children were small and her husband was a bit hesitant, she did not immediately venture into business. She had two children - one boy and one girl. As they grew up, she felt that the income from the husband's job would not be sufficient in future, and that she too has to contribute to family income as well as to save for the future. She discussed the issue with her husband and he agreed. Her son also said he would help her in between his studies. So she spoke to her brother and mother and soon they together chalked out the plan of action. Her mother and brother contributed Rs 70,000 and her husband Rs 30,000 respectively for the business. With this amount, she started the business. Her brother and mother came and stayed with her for a week and initiated the business.

Business History

The enthusiastic lady entrepreneur started the business with a bang. She supplied her products namely – *Achappam*, *Kozhalappam*, *diamond*, and *mixture* - to many shops in the Cochin city. She used to go in a car with all the materials and supply her wares as per requirements of her customers and collect the money. Being a food product from a new player she had to supply goods on consignment basis. She also found that collecting money from retailers is a very difficult task. There were many who treated her well, but many retailers used to behave

indifferently. In these times when producers consider retailer the king (and seldom the customer the king) we find many schemes directed to entice the retailer. When the retailer is given so much of importance it is natural that he takes a defiant position. More so when the producer/distributor goes to him to collect money. The retailer raises complaints about the quality of the product. He resorts to delaying tactics. In the face of such problems, she slowly withdrew from the distribution scene and started concentrating on production, leaving the task of distribution to her husband and son. They were able to cover a large area but had to do it in between their regular jobs/studies. Therefore, sales became erratic and she lost some business too. The entrepreneur says that as the products supplied by her are of high quality, the prices were on the higher side. To make the supply regular she and her husband decided to entrust the job to a salesman. A person who came for the job took products from her as well as from many other producers and supply them to bakeries and stores. But he disappeared after a while without making any payments to the producers. So they employed a person who had an auto rickshaw to supply the products. This person too is irregular; but there is no other option. She tried to increase the price for products but the retailers protested strongly since her prices were already on the higher side. The sales have come down and she had to retrench a few workers.

Observations

The entrepreneur is fully supported in the business by her husband. Her efforts are primarily on improving the quality of the products. She has received support from her brother and mother. All of them together decided the business that she should go in for. Her husband feels marketing is not her forte. He had to move around selling the products during whatever little spare time he had after his bank job. So the going has not yet become stabilised even after four years. The entrepreneur started the business to support her family and also to ward off boredom but now is clueless as to how she could improve sales. She feels it will be difficult to raise prices as no retailer is willing to take her products at prices higher than the existing ones. She does not want to lower the quality of the product either. She has no assistant who would go to the flourmill to fetch raw materials for confectionery. Her son is planning for higher studies; hence she would lose his services to do the marketing. In these circumstances, she feels it difficult to expand business.

The venture has instilled a lot of confidence in her. She has done this with her an 'all women' workforce. She has allowed some of them to do their own small businesses utilising her infrastructural facilities. This helps the workers to earn some independent income during lean periods.

Prime Motivation: Self

Facilitating Factors: Mother, Brother

6. Summary and Conclusions

The present study on entrepreneurship in rural Kerala is based on data relating to a sample of 100 entrepreneurs in Mulanthuruthy block in Ernakulam district. Detailed case studies of a sub-sample of 12 entrepreneurs were also undertaken.

In general, the entrepreneurs in our sample are not highly educated. Their academic performance at the school level, as indicated by their marks in the SSLC examination, is found to be poor. They run relatively small business units. In the majority of the cases, they entered into employment at a relatively young age. But entrepreneurship was not the first career in the case of the majority of the sample entrepreneurs. Most of them are first generation entrepreneurs. The presence of relatives in the same or similar lines of business or own personal experience in similar lines had a role in determining the selection of the kind of enterprise.

The success or failure of the enterprise seems to be more the result of individual talents, which as the results indicate are not necessarily shaped solely by the entrepreneurs' economic, personal, social, and educational backgrounds. The sample units do not show much variety and diversity. The differences which exist are not highly significant.

Presence of women among the same entrepreneurs is small. In the few cases which exist, their age of entry was at a later age than is the case with men entrepreneurs. The women-run enterprises are characterised by lower levels of investment than of enterprises run by men. The average investment of the women-run enterprises is only about half of the enterprises run by men. Most of the women entrepreneurs run enterprises producing food products and readymade garments. Women entrepreneurs with earlier experience in employment in the same or related areas were also few. However, women's entry into entrepreneurship is not driven by negative circumstances such as own or husband's unemployment. Though women entrepreneurs are slightly disadvantaged in terms of background variables, their performance is slightly better off than that of the male entrepreneurs.

The entrepreneurs indicated that external forces like market conditions, availability of raw materials, and competition play a crucial role in promoting or hindering business growth. It appears that in the case of these rural entrepreneurs, external forces play a more significant role than their backgrounds do in influencing the performance of business ventures.

The motivational factors which led them to entrepreneurship are classified as prime motivators, motives/ambitions and compelling, facilitating, and opportunity factors.

In general, self-inspiration was the most important factor that motivated people to entrepreneurship irrespective of whether they have been making profit or not. This is true of both male and female entrepreneurs. The prime motivators are thus found to be the entrepreneurs themselves. They had the urge to start businesses on their own. It is to be noted that women gave a high score to their spouses as motivators as against men's low

rating on this factor. Government agencies also have played only a moderate role in promoting entrepreneurial motivation.

Most of the entrepreneurs ventured into enterprises primarily to support their families. This seems to be the most important motive for starting businesses. This is true for both men and women. The urge to be on one's own rather than working for somebody else was the next important motive for starting business. The entrepreneurs start these ventures primarily to support their families as well as to fulfil their ambition of being on their own. It was observed that amassing incomes or assets and improving social status are relatively less important as motivating factors in the case of these entrepreneurs. This reflects the nature of rural entrepreneurship, which still seems to be rooted in the satisfaction of basic needs such as supporting the family.

Entry into business is not driven out of compulsion, but seems to be driven by the need to express oneself. Compelling factors such as unemployment and job dissatisfaction were not given high scores by the sample entrepreneurs. However, both these compelling factors were considered to be relatively more important by those among them who were making losses than successful entrepreneurs. It implies that, people who are compelled to become entrepreneurs are more likely to face losses in their endeavours. Our discussion on the prime motivators also brings out that the entrepreneurs of the loss making enterprises have lower levels of self-motivation than successful entrepreneurs. They were also more influenced by success stories of other entrepreneurs.

The skills and experience a person acquires prior to starting a new venture have some influence in facilitating entry. Education was not observed to be a major factor. It is likely that the educational system in the State has not given sufficient orientation to students for developing entrepreneurship capabilities. Opportunity factors such as having good trade information also had limited influence in motivating entrepreneurs since it is likely that access to information is comparatively difficult in rural areas. This was probably also due to lack of knowledge about ways of securing relevant information. Technically qualified entrepreneurs rated encouragement from friends and relatives as a more highly facilitating factor than other groups did. Perhaps, the rural community perceives entrepreneurship as an activity meant for technically qualified persons and that people with general education only should pursue paid employment.

The study looked at various competencies of these entrepreneurs. The entrepreneurs were tested on 13 categories of competencies namely, initiative, seeing/acting upon opportunities, persistence, seeking relevant information, concern for high quality work, commitment to work contracts, efficiency orientation, systematic planning, problem solving capability, self-confidence, assertiveness, persuasion and the use of influence strategies. Of these variables, four were found to be insignificant for further analysis. The remaining variables were identified as underlying characteristics of the entrepreneur, which are primarily classified into two groups of factors: the first group which is indicative of the behavioural style of the individual in dealing with situations is termed as the approach factor. An orientation to efficiency, persistence, attention to problem solving, information seeking, systematic planning, commitment to work and persuasion falls in this category. The second group, which is

termed as the personality factor, is a combination of initiative and self-confidence. This is something, which comes from within the individual, which makes him/her do certain things, which others may not. Further, it was found that the influence of the 'approach factor' on entrepreneurial performance was much higher than that of the personality factor. This is significant since it suggests that more than the inherent personality of the entrepreneur, it is the approach of the persons to different problems that determines entrepreneurial success. While the former may be developed through training and experience, the latter is more of a quality developed over long periods of time. This implies that better and more sustained orientation towards entrepreneurship through the educational curriculum as well as through training programmes is required to strengthen entrepreneurship in rural areas.

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