

**SMALL SCALE ENTREPRENEURSHIP DEVELOPMENT
SOME MANAGEABLE FACTORS**

**SUMMARY OF FINDINGS, CONCLUSIONS
&
RECOMMENDATIONS**

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The following is reproduced from the doctoral thesis : SMALL SCALE ENTREPRENEUR DEVELOPMENT : SOME MANAGEABLE FACTORS submitted by Professor N.H. Attreya to the Bombay University. It deals with the make up and the making of the primary entrepreneur, based on a field study of one hundred entrepreneurs; and it takes a managerial point of view. Additional copies of this extract can be had at one dollar a piece. (Add 50c for airmail) Copies of the thesis can be had for \$ 20.00 per copy. Address: 301A ASIT Kane Road Bandra Bombay 400 050 INDIA

SUMMARY OF FINDINGS, CONCLUSIONS

AND

RECOMMENDATIONS

1. Almost till recently, and all over the world, entrepreneurial manpower has been looked at as a phenomenon and not as a resource. Once we realise it is a key human resource, once we realise it is a resource that makes the possible real, we will concede entrepreneur resource management is an opportunity area.
2. Entrepreneurship plays such a key role in the economic development and growth of the country that it tempted Zinkin to say, "No entrepreneur, no development". The quality and quantity of entrepreneurs in any area determine the economic growth of that area. This is as true of countries as it is true of regions within the same country.
3. Where entrepreneurship suffers a set back, economic development suffers a set back. And, entrepreneurship suffers a set back for a number of reasons. Firstly, the entrepreneurs themselves do not think highly of their calling. Secondly, the rest of the society do not appreciate the great contributions the entrepreneurs make for a higher standard of living, for a higher quality of living and for a better development of human resource.

4. The sacrifices the entrepreneurs make are silent and not obvious; but the rewards they get are loud and obvious. Perhaps this accounts for the inadequate appreciation in most societies for the entrepreneurs' contribution. Added to it, in a country like India, there are historical prejudices against entrepreneurial pursuits. Enterprise (which is equated to business) does not enjoy a social status.
5. There are also definitional problems. Entrepreneur and entrepreneurship are terms that suffer from diverse definitions in both the popular and technical literature.
6. The term 'entrepreneur' has been used for example to designate "the economic agent who unites all means of production"; the individual whose function is "innovation, to carry out new combinations called enterprises"; the individual or group of individuals who undertake "to initiate, maintain, or aggrandize a profit-oriented business unit for the production, or distribution of economic goods and services"; "an organisation builder" and the one "who develops an ongoing business activity where none existed before".
7. Depending upon his purpose, each scholar defined entrepreneurship and the entrepreneur. It is as well. Entrepreneurial resource is a dynamic resource and it is proper to keep the description flexible.
8. In a developing economy context like the Indian context, the definition of the entrepreneur and enterprise should be non-exclusive. Every conceivable type of entrepreneur is welcome. Any enterprise, any venture, any sector, any structure, any size, any capital is in order.
9. For purposes of this study, the entrepreneur is defined as one who recognises a need of the people or who creates a legitimate need for the people; and who organises its fulfilment in such a way that surplus results.
10. In a developing context like that of India, it is essential that (a) the will to create what is not and what can be, is emphasised; (b) the man (who creates) is emphasised; and (c) the non-restrictive nature of the enterprise is emphasised.

ENTREPRENEUR DEVELOPMENT BY DESIGN

11. Developing countries like India need entrepreneurs in number; they need them in quality; they need them in time.
12. Entrepreneurs resource is a scarce resource. Only a small percentage of the population (1 to 10%, depending on times and places) would constitute such a resource. To manage this resource to optimum results, it becomes essential that we make *conscious, systematic and sustained* efforts to identify such a resource *and* foster it.

It is true that even if no efforts are taken, the entrepreneurs will become entrepreneurs. The advantage of doing it consciously and systematically is that they can arrive a little faster and a little smoother. If they arrive a little faster, it is good for the economy. If they arrive a little smoother, the quality of entrepreneurship is likely to benefit all concerned.

13. Scarce as the entrepreneurial resource is, it is made scarcer still by historical, sociological, cultural and economic barriers.
14. The restrictive effects of customs and traditions, social and institutional values, low status of businessmen, high risks in establishing new ventures, limited and imperfect markets, weak administration and lack of adequate statistical information, and legal and institutional headaches are severe indeed.
15. In such a situation, in the absence of a conscious entrepreneur — development — by design effort, the quantitative growth will be less than what it can well be.
16. Entrepreneur development by design would help reduce the frequency and severity of failures.
17. Entrepreneurial failures have several immediate and far-reaching consequences. Immediately, the individuals and their families suffer a set back both in cash and morale. The loss of capital loaned to them is not merely a waste of scarce capital but one of lost opportunity. Thirdly, and most importantly, the entrepreneur movement gets a set back.

18. Studies made over the years indicate that entrepreneurial failures are mostly due to incompetence *and* poor management. This means that the right men and women should be encouraged. This also means that those who are encouraged should have systematically acquired the needed philosophy and skills *before* they set up a venture.
19. The nature and quality of input that an entrepreneur receives *before* he starts off a venture are critical to the way he will approach men and things. This input can notably influence the quality of entrepreneurs.
20. One reason why the decent are not enterprising and the enterprising are not decent is that efforts in the direction of entrepreneur development by design are not adequate. The emphasis is on the number of industries that come up and the emphasis is on the capital required for it. The emphasis is *not* on man and the emphasis is *not* on his preparation; the emphasis is not on the other supports needed.
21. Manager development by design which the country took to, a decade back, has paid dividends. We have an increasing pool of trained managers.
22. Managers are born *and* made. So also, entrepreneurs are born *and* can be made, 'made' in the sense they can be developed. Because manager material and entrepreneur material are not quite the same and because the end requirements of development are not quite the same, the developmental efforts will differ. The main point is that well-chosen material, if suitably trained, will gain that professional touch needed for their careers.
23. It was pointed out earlier on that the emphasis should be on the man who starts a venture. If entrepreneur development by design is to be a pay off proposition, it is also necessary that the emphasis is placed on the balanced and adequate preparation for venture management. Furthermore, the emphasis should be placed on giving the inputs *well before* he or she starts a venture.

ENTREPRENEUR DEVELOPMENT AND SMALL ENTERPRISE

24. When we think of entrepreneur development by design, we are thinking of the national needs. The national needs are many and critical.

25. Firstly, we need social and economic development throughout the country and not merely in a few pockets. Development should be dispersed. Secondly, the standard of living should rise for many people. This means jobs, which means workplaces. We need workplaces, thousands of them, spread throughout the country especially in the rural areas. Mass migration, even if possible, is not desirable; migration cannot be confused with mobility. Thirdly, the gestation time has to be the shortest possible. The needs are urgent and the patience of people is running out. And fourthly, in a capital starved country like ours, the entry level should be appropriate to the context. Ease of entry is a critical point. Entrepreneurship should be at a level where action is quite feasible, and where useful, local and national successes are more easily achieved.
26. A small scale enterprise is more accessible to more people in more places than even a medium sized enterprise. The investment per unit is less. The gestation period is less. The manageability is more. The chances for geographical spreadout are more. The opportunities for local jobs are more. The decision-makers are more and the chances of innovation are more. Also, the emphasis here is on the entrepreneur (the man) and not the function. And these and other reasons suggest that entrepreneur development by design would mean in good part small scale entrepreneur development.
27. For balanced growth of a country, all sectors should get appropriate attention — the large sector, the small sector, the public sector and the cooperative sector. From the entrepreneur (human potential) development point of view, however, the small sector offers the greatest scope and promise.
28. Any system that seeks to develop entrepreneurs, especially small scale entrepreneurs, by design should be informed by a philosophy. This philosophy would appreciate the multi-dimensional contributions entrepreneurs in this sector make to the country and community.
29. What is commended is *not* a place for the small enterprise at the expense of the general economy or at the expense of the customer.
30. The emphasis on the small sector is not ideological but pragmatic. It is in addition to large scale sector and *not* instead of. In fact,

both the sectors complement each other; they are interdependent in many ways. From the entrepreneur development point of view, from the key human resource development point of view, the small sector assumes relatively higher significance.

31. As it happens, the small scale sector is an economically viable and socially useful sector. As Bolton Report puts it, "the economic arguments alone are powerful enough to establish the need for an active small firm sector so that there has been no need to attempt to quantify this non-economic contribution".
32. Economic contributions apart, a growing and dynamic small sector means (a) better quality of life because of better spreadout and personal service; (b) many more of decision-makers and the resulting tempo of action and innovation; and (c) a faster rate of human resources development.
33. The alternate and unlimited career the small scale sector provides for the academically disadvantaged is one of the major reasons why small enterprise should get the focus of any scheme of entrepreneur development by design.
34. The small scale sector entrepreneurship has been little researched. For that matter, even the large scale sector entrepreneurship has not been extensively researched. Only in recent years, entrepreneurship and entrepreneur have caught the attention of the researchers. One of the contributory causes is the definitional problem.
35. A small enterprise may be quantitatively defined in terms of its investment, volume of business, number of employees or its relationship to other units in the same area. Or it may be said that a small business is relative to the industry, its area of operation is local, its capital is small and its management is independent. A small enterprise need not necessarily be an industry.
36. Because of its place in the scheme of things, since Independence, what has been given conscious attention to is the small scale manufacturing unit. The wholesale trade, the retail trade, the service industry and other types of enterprises have not been given sufficient attention.
37. In the Indian context, the desirable approach seems to be not to put restrictions on the nature of the enterprise, for governmental

support. The emphasis can be just on venture, on small enterprise. A small enterprise can thus mean a shop, a repair service, a school or an entertainment unit as much as an industry. The ownership can also be unrestricted and not limited to cooperative societies and the like. The one limitation that may be permissible under the circumstances will be the capital invested in the enterprise; an upper limit can be stated.

THE CRUCIAL PERIOD IN AN ENTERPRISE

38. All the three stages in the life of an enterprise — commencement, maintenance and growth — are important and should be given attention. At this stage of economic history of our country, the primary stage is the commencement stage.
39. In a developing economy, in a non-competitive economy, entrepreneur development efforts give the best pay off, if the focus is on the startup stage.
40. From the individual entrepreneur's point of view, the most crucial and rough stage is the startup stage. To him, a venture is a matter of moving from a world of relative certainty to a world of uncertainty. It is not merely losing one's peace of mind. It is one of losing one's shirt. It is probably losing one's place in society. It is not even a case of unknown angel. It is a case of unknown devil.
41. Rough as the startup stage is in any part of the world, at any stage in history, it is particularly rough in our country today. The family members hesitate to give support. Would-be competitors cannot be expected to be kind. Customers and suppliers do not see any particular need to cultivate the entrepreneur to be. All of them turn cold shoulder to him.
42. The financial institutions and the governmental agencies do not give him understanding support either. Their delays and their inconsiderateness make him fight on many fronts.
43. The entrepreneur is so often self-chosen and this creates its own problems. The entrepreneur often makes his decision on the basis of desires and dreams rather than facts and evaluation.
44. The raw material input is an important consideration to quality control. The development of entrepreneurs starts with the recruit-

ment and then selection of individuals who are to be developed and trained for entrepreneurial undertakings. The Gujarat Experiment has proved that if conscious attention is given to this stage, if systematic efforts are taken to select the individuals to be supported, and if integrated and understanding assistance is provided, it makes a difference in entrepreneurial results.

45. One great advantage we have in India is that the government and financial institutions are playing a major role in enterprise development. In fact, without the blessings of one or more government agencies, very few enterprises can be started in the country. This makes the commencement stage more of a controllable point. These institutions can play a constructive role in the scientific screening of the potential entrepreneurs and the systematic preparation for effective entrepreneurship.
46. If venture assistance is being provided on the basis of the competence of the man himself and not his financial background, the task of assessing the entrepreneurial capacity to succeed becomes crucial. What data and tools are available for doing so? How reliable are they? What more can be done in this regard? Questions like these raise the need to know about entrepreneurial motivations and the characteristics of successful entrepreneurs.

ENTREPRENEURIAL MOTIVATIONS

47. What are the motivations of people who create an enterprise? Researchers have been trying for some years now to discover the conditions that "cause an individual to become an entrepreneur". Economists, psychologists and sociologists have developed a number of theories based on study, observation, insight and field work. Some theories focus on the individual and others on the social context.
48. Insecurity and deprivation may drive a man into an entrepreneurial career; or it may be the achievement motivation. The motivation may be a conditioned behaviour or it may be one of self-fulfilment. It may be because of the society's cultural values, role expectations, social sanctions or inter group relations. Or, it may be because there is a discontinuity between the individual's personal attributes and the role which the individual holds in society. It can also be a case of situational advantages and personal perceptions.

49. The propounders of theories have each isolated a single factor as a key factor in the emergence of the entrepreneur. Each factor is valid in a context and for those engaged in entrepreneur development by design the question largely is: What theory or combinations of theories work in a particular context?
50. Perhaps because of the size of the land or because of the differing states of development, we have situations in India that will support or disprove every theory. One can conclude that every theory may be relevant to a context and managerially speaking, one should know all the theories and use the ones appropriate to the situation.
51. Some of the Theories have been empirically tested, notably McClelland's 'Achievement Motivation Theory', Maslow's 'Self Actualization Theory' and Stanworth's 'Social Marginality Theory'.

EMPIRICAL STUDIES

52. Where do the entrepreneurs come from? The origins of entrepreneurs have been examined and analysed; and the studies made especially in U.S.A. have led to a number of findings — some statistical and some behavioral. In one study, for example, the successful entrepreneurs were in the age range of 19 to 40 and in another all of them were over 40. In a third study, the entrepreneurs were orphans, literally or psychologically.

Other studies went to test out some of the findings and theories of earlier researchers — notably McClelland's, Maslow's and Moore's. In respect of McClelland's need for achievement, more than others, field data has been assembled to show that it makes the entrepreneurs more entrepreneurial.

Still other studies conclude that there are several types of entrepreneurs; that one of the variables that affect the growth of the entrepreneur is the nature of the entrepreneur himself; and that different characteristics matter at different stages of an enterprise; and that certain psychological instruments may be able to measure the characteristics and thereby help predict the successful entrepreneur.

53. Similar studies have been made in India for the past two decades. The empirical data point to the fallacy of overemphasis on the religious and cultural values and social organisations. The studies show that increasingly, economic and technological factors are influencing the emergence of entrepreneurs. The social and cultural

factors have varying but decidedly decreasing influence. Studies confirm some of the psychological and sociological theories referred to earlier. Other findings include that for successful entrepreneurship, (a) profit is as much a motive as independence; (b) while work experience matters, education does not; (c) a joint family is a help.

54. The typical thing about the entrepreneur is that he is not typical. If each man is unique, more so is each entrepreneur. It is true one entrepreneur may have a few things in common with other entrepreneurs. What makes him an entrepreneur is what is unique to him. If we are flexible enough to respect the entrepreneur's uniqueness and if we confront the problem of generalities, we are likely to be nearer reality.
55. From the foregoing it will be noted that there is a need for studying small scale entrepreneurs at the start-up stage with a view to establishing the factors that figure in at that stage and with a view to isolating the controllable factors. So doing may throw up findings that will make entrepreneur development by design a more manageable proposition.

THIS STUDY

56. This study noted that entrepreneurs come from varied backgrounds. They were till yesterday traders, financiers, technicians, managers, agriculturists, lawyers, army officers or school teachers. The one thing common in them is what may be described as the entrepreneurial spirit and the entrepreneurial effort. What constitutes this spirit and what makes for this effort?
57. One hundred small scale entrepreneurs were chosen for the study. All of them first generation or primary entrepreneurs, they all started their own enterprises in or around Bombay in the past ten years or less *and* with a small capital. Most of them were in manufacturing industry. There was only one woman entrepreneur in the sample studied.

The entrepreneurs were interviewed for several hours and at times more than once. The answers sought were for two major questions: What are the elements of the entrepreneurial spirit? What are the factors that make this spirit flower?

58. The answers were sought to be found in their behaviour. What did they do before they started their ventures? How did they generally get about? What was their approach to men and things? What help came their way? How did they seek help? What was the interplay of the internal and external forces like?
59. Their behavioral characteristics were named as personal element factors and these numbered 32; and they were grouped into eleven, namely: Diligence (Hard-work), perseverance, guts, autonomy, energy, flexibility, opportunity sense, frustration tolerance, people sense, innovative sense and versatility.
60. In respect of each entrepreneur, it was asked: Which of these elements exist in him in a big way? It was noted that in respect of each of the entrepreneur's the elements exist in a mix and the mixes vary from one to another. Since all the entrepreneurs are fairly successful, it was argued that several mixes are equally effective from the entrepreneurship start-up point of view.
61. Entrepreneurial spirit or potential can therefore be described as a mix of several personal element factors.
62. In earlier studies the characteristics of the entrepreneurs have been noted and listed. Our finding is that the potential entrepreneurial spirit in a person is a *mix* of a number of personal factor elements. Our further finding is that this is not a single mix but are several mixes of the same elements. Several mixes are equally effective. Some personal factor elements (for example, diligence, perseverance, and guts), however, are found in such entrepreneurial mixes more often than others.
63. There are intervening factors between entrepreneurial potential and entrepreneurial action. These are the factors that, so to say, surface the potential; these factors can therefore be described as 'the surfacing factors.'
64. On the basis of answers to the broad question, 'who or what brought you into the enterprise picture', thirty seven factors were noted and these lent themselves to be grouped into ten factors, namely, the home, influences, supplier support, contacts, incentives, helplessness, market support, financial support, reputation and exposure.

65. In respect of each of the entrepreneurs studied, it was asked: Which of these factors apply to a high degree? It was found that some combination of factors applied in one case and some other combination in another.
66. Just as the entrepreneurial potential factors exist in a mix, so do the entrepreneurial surfacing factors. It is the interplay of these two mixes that takes one into entrepreneurial action.
67. When the mix profile of the one hundred entrepreneurs are reviewed as a whole, it is observed that the personal factor elements more often found are: diligence, perseverance, guts, autonomy, energy, opportunity sense and people sense. The surfacing factors that occurred most often are: Market support, financial support, exposure and home support.
68. The picture of the commonest factors changes a little when the analysis is made in respect of the two groups the entrepreneurs constitute. It is one set for the manufacturing entrepreneurs and another set for non-manufacturing entrepreneurs, though many factors are in common.
69. When the manufacturing group is divided into sub-groups, the picture changes a little more. The sample size is too small to generalize but it appears that the commonest for one subgroup of one industry may not be the commonest for another subgroup of another industry.
70. Looking at the picture from another angle, it appears that every type of enterprise has its personal element factors requirements and surfacing factors requirements. For optimum success, the mix the individual brings should match with the mix the enterprise demands.
71. Thousands of men and women have situational advantages—economic, social and personal; but they do not start an enterprise. They do not start an enterprise not because they lack competence but because they suffer from diffidence. From an outsider's point of view, they may have, besides competence, the specific confidence factors in venturing in a particular area. What an outsider is not likely to realise is that the individual concerned lacks in general self-confidence.
72. Entrepreneurial *competence* is a necessary condition but not a sufficient condition. The sufficient condition is provided by entrepreneurial

confidence is not merely a sufficient condition but a crucial condition. Confidence can make the difference even in cases where the competence is not of high enough order; but it is not vice versa.

73. Even confidence has two components — the specific confidence and the general confidence. Of these two, the general confidence is basic. Without general confidence, the specific confidence may not take one very far.
74. Earlier studies not merely list the many characteristics found in the entrepreneurs but give the impression that all are equally controllable. This study deliberately sought to find out what factors are of a controllable nature.
75. The 21 factors that have been identified can be regrouped into (a) competence factors; (b) general confidence factors and (c) specific confidence factors; they can then be examined under the two headings — controllable and not so controllable, whether by the individual himself or an external agency, whether fully or partially.
76. The picture that emerges is that the fully or partially controllable factors are (a) (in respect of competence), 'frustration tolerance', 'innovative sense', 'people sense' and 'autonomy'; (b) (in respect of general confidence); 'Home and family support', 'influences', and 'opportunity sense'; (c) (in respect of specific confidence), 'exposure', 'contacts', 'market support', 'incentives', 'supply support' and 'financial support'.
77. Once the factors affecting an entrepreneurial event are identified, once they have been classified into competence and confidence factors, once they have been further grouped into controllable and not so controllable factors, both the individual and an organised agency can act to have entrepreneur development by design.
78. At every stage of an enterprise, there is an entrepreneurial side and a managerial side. At some stages, it is more entrepreneurial and at other stages it is more managerial. At the start up stage, it is more entrepreneurial. The controllable factors suggest that just as executive effectiveness can be learned, entrepreneurial effectiveness can be learned.

79. The individual who is considering an entrepreneurial career can prepare an entrepreneurial matrix for himself and see where he stands at any particular moment. Either through self effort or with the help of external help, he can move to bridge the gaps, especially in the controllable areas.
80. By the same token, an agency engaged in entrepreneur development can examine the entrepreneurial assessment matrix of an individual and give him the necessary guidance or help so that the entrepreneurial event will be surer and smoother.
81. Entrepreneur development requires selective efforts. Identifying that small group that is entrepreneurial potential requires careful and flexible selection programmes. Secondly, training them requires an unusual sort of effort and few people are qualified to do it. The conventional training and teachers can hardly do that job. It calls for innovative efforts. Such efforts will be reality-oriented. Such efforts will use the experience and skill of other entrepreneurs.
82. Various agencies, governmental and non-governmental, can do much to contribute to the confidence factors. For example, the educational institutions at every level can be a positive influence. They can consistently and continuously get across the message: Creating a job for yourself and others is as valuable as preparing for a job and taking a job with others. Again, the government agencies concerned with entrepreneur development can play a more understanding and more helpful part. If they just choose to telescope time, if they decide to do what they are doing in less and still less time, not for an occasional news item but on a consistent basis, it will make a difference. This may mean adjustment both on the part of the organisation and the individual but the directions are clear.
83. Whatever makes for confidence should be encouraged both at home and at school, in the larger interests of entrepreneur development. Doing makes for confidence more than just knowing. This explains the phenomenon of the entrepreneur population being drawn mostly from the 'street smart' as against the 'school smart'.
84. What the study shows is that while one may welcome the efforts taken by the society at large and the important components thereof, one need not endlessly wait for them. Whether one is an individual or a representative of an agency, one can go about the job systematically and improve the effectiveness of managing the entrepreneur-resource.

SOME POSSIBILITIES FOR FURTHER RESEARCH

85. This study suggests a number of possibilities for further research.

One study can be in respect of entrepreneurs drawn from two or three types of industries, businesses or enterprises. Such a study will not have the constraints of numbers as this study has; the sample can be substantial. The findings of such a study should facilitate efforts in entrepreneurial counselling and entrepreneurial development. What does the enterprise need, what does the person have, what is the gap, how can these be filled; some of these questions may be answered by the findings of such a study.

86. Another promising area for research will be a study of entrepreneurs who started small and grew to some size, or who started as retail traders, and moved over to create a service facility and later manufacturing industry. Such a study should throw light on the entry level problems and possibilities in entrepreneurship in a capital-starved economy.

87. For this study, the sample taken was mostly from urban and semi-urban areas. Though some of the findings will be applicable to the entrepreneur in the rural area, there should be factors peculiar to rural entrepreneurs. A very worthwhile area will be a study of primary entrepreneurs in the rural areas.

88. Again, though reliable or upto-date statistics are not available, the impression is gathered that the rate of failures of small firms is low in India. This may be because of the quality of entrepreneurial stamina in the country or it may be due to other reasons like the absence of competent competition. Studying this aspect may lead to consolidating consciously on our entrepreneurial strengths.

89. For a large number of firms in India, the basic unit of entrepreneurship is the extended family. India's industrialists, for example, are usually members of old trading families, which frequently exercise control of a number of firms, till recently through the managing agency system.

Research is necessary to assess the relative significance of the positive and negative effects of the Indian extended family on entrepreneurial activity.

There are indications that the joint family or the extended family can provide a confidence factor in entrepreneurship development. Urbanisation, western education and mass communication are making such families out of fashion. Before they become things of the past, it will be well to research to assess the relative significance of the positive and negative effects of the Indian extended family on entrepreneurial activity.

90. Since independence, entrepreneurship has been encouraged actively in the cooperative sector. Its relevance to primary entrepreneurship may be studied. So also may entrepreneurship in ancillary industries be studied. They can be as much worthwhile adventures in entrepreneurship as in patronage.
91. The place of general and specific confidence is high in entrepreneurial career especially at the starting stage. A third area for research will therefore be the role higher education plays in building general confidence in a person. A study of well educated entrepreneurs with particular reference to the influences of the student days may throw fresh light on the subject.
92. There are distinct types of entrepreneurs, for example, the entrepreneur who establishes his venture, who purchases a going concern, who inherits a firm and one who works in a large organisation. These types are likely to have distinct differences in personality, work habits and background. What are they? Which of those are controllable? This is another fertile field for study.
93. Women constitute over 49% of India's population, and especially in the rural areas and among the disadvantaged population, one finds a number of women entrepreneurs. A study of these entrepreneurs may suggest ways by which any help given to the economically disadvantaged can be made relevant.
94. The present entrepreneur development programmes in the country can be studied with a view to finding out to what extent the controllable competence and confidence factors are *consciously provided* for and the resulting consequences on entrepreneurial events.
95. Among others, general confidence seems to stem out of a background of doing as against knowing. Specific confidence can be one of

knowing and doing. Is specific confidence enough? Or is general confidence basic? This is another large area for research.

96. Entrepreneurial behaviour appears to be largely a state of mind, rather than a set of economic conditions. This entrepreneurial state of mind results from the specific environment in which the individual entrepreneur operates.

Getting an enterprise started is a supreme act of will. One cannot create that will. What one can do from outside is to cease efforts of breaking that will. Among others what should be researched in depth is the unconscious and conscious efforts that are current that seek to break this will at the time of entry into an entrepreneurial career.

97. Generally speaking, entrepreneur studies are resource studies and entrepreneur is an uncommon human resource. Every little additional light thrown on the nature of the resource and the productive and creative management thereof will redound to the credit of not merely developing nations like India but the developed ones as well. The world has not even touched the fringes of this great opportunity area.

CONCLUSIONS AND RECOMMENDATIONS

98. i. In the interests of qualitative and quantitative growth and development of entrepreneurs, it is desirable to keep the definition of entrepreneurs non-restrictive. Any one who ventures in any area and organises the meeting of socially acceptable needs for goods and services may be accorded the status of and support for an entrepreneur.

In particular, the current emphasis that the educated unemployed and the technically qualified should be given special encouragement may be played down. The concerned population certainly deserves sympathy, understanding and support. To urge them to take an entrepreneurial career as against a career that is suitable to them is only to make the sick units statistics soar. The emphasis should be on giving support to those who have the entrepreneur potential, irrespective of their educational or other background.

- ii. Since for most people in this country, the entry point into entrepreneurship has to be at a low level of a capital, and since starting small

need not be the same as staying small, and since further, one can move from trade to service industry, to manufacturing industry progressively, it is desirable to emphasise appropriate levels of entry into entrepreneurship, appropriate to the individual, consistent with its being appropriate to the enterprise.

In view of the situational need for failing safe, if entrepreneurial potential is found in the employed population, it should be unreservedly encouraged. What is commended is not a double loyalty; but a workable switchover. This means upto a point 'moonlighting entrepreneurship'. This calls for a lot of adjustment on the part of the employers in particular. In fact, the recommended phenomenon is already existing; what we need to do is to regularise it with grace.

- iii. Once the venture is started, the entrepreneur has neither the time nor the inclination to go in for inputs which will enable him to manage his affairs effectively. At least where government or quasi-government agencies are giving substantial financial assistance, it may be insisted that the aspiring entrepreneurs *satisfactorily* complete a programme which will expose them to the needed knowledges, skills, attitudes and values required for the subsequent stages. The purpose of this programme will be to help them fill in the gaps they may have in their making for successful entrepreneurship.
- iv. With whatever existing knowledge and techniques are available, the aspiring entrepreneur may be assessed for his entrepreneurial capacities. Atleast as much attention may be given to the man as to his proposition and the financial backing he has.
- v. The entrepreneurial person is not quite like other persons. He needs special understanding and he needs timely support. It is unrealistic to require the loan officer of a bank or a financial institution to use "double standards" in his work. The banks are organised to extend support to propositions that are viable but not people that are viable. Against great odds they are doing a job and they should be commended for it; they should not, however, be taxed any further. A national entrepreneurial bank is called for that will be manned by officers who have been specially trained in entrepreneurial support. The bank itself should be structured in such a way that it is man-focused and opportunity oriented.

- vi. While we should certainly avail of the natural advantages aspiring entrepreneurs may have — e.g. being born in traditional business families, belonging to mutually supporting sub-groups — the entrepreneurial bank visualised should have a machinery to do talent hunting among all the likely sources of entrepreneurs, including unconventional groups like organizers of morchas!
- vii. This study shows that the possibility of some of the controllable factors (e.g. innovative sense) being given as part of educational inputs to both adult groups and students in schools and colleges. These may be given in the name of self-development courses. Mass media — the press, the radio and the television — may be used liberally. The potential entrepreneur in the darkest corner should be reached.
- viii. This study also shows educational efforts like learning — through — doing and social efforts like Operation Adventure should be taken up in a big way so that we help young people build general confidence in themselves.
- ix. To build specific self-confidence, ongoing enterprises may be encouraged to sponsor a Junior Achievement programme in a neighbourhood school and thereby expose young people to the possibilities of enterprise in the community and the realities of starting and managing one.
- x. On going enterprises which are essentially catering to local needs — example; travel agency, repair service and the like — may be encouraged to go in for a franchising system by which the know-how they have developed will be available to others who would like to start and manage a similar enterprise.
- xi. Large organisations — in the private and public sector — may be encouraged to lend initial moral and market support to up and coming entrepreneurs for a period of the first two years. This they can do by splitting the present orders between regular suppliers and new suppliers.
- xii. If possible by practice and if necessary by statute, customers of products and services provided by small scale sector units may be required to make the payment within 30 days of the delivery of the goods. This will provide the much needed relief the small company needs for the first two or three years.

- xiii. Making the businessman the whipping boy of the society may be played down. Efforts to regulate the way he does business is certainly in order. Making him look as if he is pursuing a dis-reputable career is not in the larger interests of the entrepreneur movement.
- xiv. Potential entrepreneurs may not know they know. Efforts to sort out their perception problems will be welcome.
- xv. It should be brought home to everyone that a higher standard of living for everyone is possible only when the purchasing power is high and spread out on the one hand, and when the goods and services are available on a competitive basis on the other. Providing jobs and providing services are functions of enterprises. Enterprises are the creation of entrepreneurs. Entrepreneurs are the creation of the society. The individual, the home, the school, the government, the existing enterprises and all else and all others can play a positive or negative role in the emergence of competent and confident individuals who will venture and create what is needed. This realisation combined with the knowledge of what is controllable or manageable, among the entrepreneurial development factors will make the difference for all concerned.
- xvi. Incorporating the findings in this study and related studies, multiplier models can be attempted for urban, semi-urban and rural settings. Some of the component steps of such a model development would be —
 - a. A business-opportunity survey in a chosen area
 - b. An entrepreneur - potential survey
 - c. Assessment of competence, self confidence and specific confidence factors in the available and willing personnel
 - d. Matching of men to opportunities
 - e. Guidance and help in basic preparation for ventures
 - f. Guidance and help in governmental and other formalities
 - g. Guidance and help in the initial market and monetary support
 - h. Training, guidance and help in managing business, work, workers and oneself

- i. Personalised managerial guidance, using a voluntary executive team
- j. Monitoring the efforts for a period of a year or so when hopefully the venture is a going concern.

To build such a model, a non-official, action-research team will be needed. This team will be actively assisted by local educational, civic, financial and governmental institutions. Once the model is developed, it should lend itself for systematic and sustained extension efforts in India and abroad.

99. Thus, *the hypothesis* that knowing the elements that make the entrepreneurial potential mix and knowing the factors that spark off such a mix will enable identifying the controllable factors of entrepreneur development stands.
100. Also, *the objectives of the study*, namely identifying the elements of the entrepreneurial spirit, observing the mixes in which they are found in individual entrepreneurs, identifying factors that spark off these mixes or surface the potential and isolating from these entrepreneurial mix elements and surfacing factors the ones that are controllable have been fulfilled.

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