

T. R. No. 51

etc.

# Technical Report

DEVELOPMENT OF AN ENTREPRENEUR:  
A BEHAVIOURISTIC MODEL

by

T. V. Rao

WP 1974/51

WP51  
■■■■■  
WP  
1974  
(51)



**INDIAN INSTITUTE OF MANAGEMENT  
AHMEDABAD**

DEVELOPMENT OF AN ENTREPRENEUR:  
A BEHAVIOURISTIC MODEL

by  
T. V. Rao

T R No. 51  
September 1974

Indian Institute of Management  
Ahmedabad

To  
Chairman (Research)  
IIMA

Technical Report

Title of the report *an A Model*  
Development of ~~Entrepreneurial~~ Behaviouristic ~~Patterns~~

Name of the Author *T.V. Rao*

Under which area do you like to be classified? *Organizational Behaviour*

ABSTRACT (within 250 words)

The paper presents a 5-step behaviouristic model for the development of entrepreneurs. The stages are (1) entrepreneurial dispositions, (2) decisions to be an entrepreneur; (3) professional socialization; (4) environmental explorations; and (5) organizational socialization. Several factors characterising each stage are discussed. The model is a sequential decision process model. Research studies conducted in India have been quoted to support the different factors contributing to each stage and the process of the development of entrepreneurship. Implications of the model for future researches, selection and training of entrepreneurs have been discussed.

Please indicate restrictions if any that the author wishes to place upon this note

Date *Sept 3, 1974*

*T.V. Rao*  
Signature of the Author  
(T.V. Rao)

DEVELOPMENT OF AN ENTREPRENEUR:  
A BEHAVIOURISTIC MODEL

by  
T. V. Rao

T R No. 51

September 1974 .

Indian Institute of Management  
Ahmedabad

Development of an Entrepreneur :  
A Behaviouristic Model

by  
T.V. Rao

Entrepreneurship and Entrepreneurial behaviour is a fast emerging area of research in Indian Behavioural sciences. An analysis of the researches in the past decade in India indicate to the gradual convergence of interest in this area of research by behavioural scientists. The planners in the country have been repeatedly stressing in the past few years the need to encourage independent and manufacturing entrepreneurs in the country in response to the growing unemployment situation and the desire to develop the country's economy. Several organizations have come into existence and several provisions have been made in the laws for helping entrepreneurs to emerge. Establishment of industrial development and service institutions in each state, introduction of low interest loan systems in the banks and other financial institutions, organization of training programmes to develop and prepare managerial skills in technicians so that they can combine both these to become entrepreneurs are all evidences of the efforts at various levels to encourage entrepreneurship. While such attempts are likely to yield some fruitful results systematic studies are required to answer questions like "what is required to be an entrepreneur?" "what makes an entrepreneur a successful one?" "what are the characteristics of a successful entrepreneur and do they have any distinct socio-cultural context?" etc. These would help for a better organization and utilization of the facilities available for entrepreneurs. The present paper presents a model of entrepreneurial development, outlines some of the findings of researchers on Indian entrepreneurs and raises several questions to set directions for future research and training for the development of entrepreneurship.

Types of Entrepreneurs: Several classifications have been suggested in the past for entrepreneurs. In the activity based classification categories like manufacturing entrepreneurs, sales entrepreneurs, service entrepreneurs, etc. have been used. In the profession based classification categories like engineering entrepreneurs, medical entrepreneurs, agricultural entrepreneurs, industrial entrepreneurs etc. have been used. In the behaviour based classification categories like innovative entrepreneur, imitative entrepreneur, fabian entrepreneur and drone entrepreneur etc. have been used. In the behaviour

based categorization there could be as many categories as there are traits. However, only those categories that are determiners of entry into and success in a given profession or occupation that could be classified as entrepreneurial can be taken. Each of these classifications have some function or other to serve. However increasingly the term entrepreneurship is crossing the occupational boundaries and getting associated with a set of behavioural characteristics. It is very common today to hear statements like "he is a very entrepre-  
neuring personality" irrespective of what occupation the person is involved in.

In India a few researches have been conducted since the classical experiment conducted by McClelland at SIET institute in developing entrepreneurs. The present paper attempts to develop a model for the development of entrepreneurs and examines the available Indian researches to fit into this model. The following sequential assumptions are made which lead to the development of this model. These relate to sales service, and manufacturing entrepreneurs only. They may also fit into other profession based entrepreneurs but with modifications. This model is also not for family business based entrepreneurs, i.e. those entrepreneurs taking it up as an extension of family based business or work.

For purposes of this paper and the model presented here, any person actively engaged in inventing or developing or expanding or effectively maintaining an organization is an entrepreneur. If he is starting a new organization, developing it or expanding it the very act of undertaking these activities qualify him to be called as an entrepreneur. However, if one is only managing an organization which has been founded, developed or expanded by somebody else an effective maintenance of it (with profits or achievement of goals) is required to qualify him as an entrepreuring manager. Indicators of such effective maintenance are defined by the professional world at large performing more or less similar functions, supervising them or being governed by them. With this background an attempt has been made here to answer the question "what makes a successful entrepreneur?" or how does one become an entrepreneur and a successful entrepreneur?" through certain assumptions based on the available theory and experience, leading to a model of entrepreneurial development. Research evidence from Indian researches is presented to support such a model.

Assumption 1: Need: In order to become an entrepreneur in one area or the other, one should have a need or motive which for him has the greatest probability of getting fulfilled if one performs those activities that are called as entrepreneurial here (initiating, develop-

ing, expanding or effectively managing an organization associated with functions like manufacturing, sales, service etc.).

This proposition is based on simple behavioural principles like 'behaviour is goal-directed and without a need there is no activity'. For example learning theorist C.L. Hull puts it in a mathematical form stating that  $\text{Performance} = \text{Drive} \times \text{habit strength}$ . When the drive is zero there is no performance and when the habit strength is zero there is no performance. For entrepreneurial activity, the habit strength is ones learning (knowledge) of the entrepreneurial activity he wants to undertake (for example one who never heard of rubber in his whole life can never aspire to start a rubber industry or to manage a rubber industry). A review of the research literature on Indian entrepreneurs renders some support to this observation. In a study of the expressed motives of entrepreneurs (actual industrialists and potential entrepreneurs, i.e. persons aspiring to start their own industries) Pareek and Kumar (1969) found different motives that lead them to these activities. Industrialists felt that 'independence', appealing nature of it and social usefulness as their motives. The potential entrepreneurs had more of economic, security and status motives which they thought would be fulfilled by their becoming entrepreneurs, McClelland (1961) who has generated a great amount of research in this area through his theory of achievement motivation has the basis of his work that achievement, power and affiliation motives form the bases of entrepreneurship. His researches (McClelland and Winter, 1969) could demonstrate the possibility of inducing achievement motivation through training and thereby increase the possibility of people becoming successful entrepreneurs. Nandy (1973) also presented some evidence from his study of Mahisya entrepreneurs that achievement motive (concern for excellence) is correlated with entrance to entrepreneurship. Pareek (1967) has formulated another dimension of motivation which he called as extension motive (concern for others) which is associated with entrepreneurial functions and social change.

These support the proposition that there should be some need (achievement, independence, extension, power, etc.) that the individual in his psychological field thinks that would be fulfilled by entrepreneurial activities. These are generally higher order needs in Maslow's (1954) terms. However persons also get involved in entrepreneurial activities at times to fulfil more basic needs. For example the need to be employed (survival) can lead to entrepreneurship. This is more true in the present day situation of our country where entrepreneurship is encouraged in response to unemployment. However, this need has to be supported by some other higher order needs for a person to survive and come out successful as an entrepreneur.

Proposition 2: Long Term Involvement: For a person to undertake an entrepreneurial activity he should have been involved for a period of time at latent or manifest level in the entrepreneurial activity he is going to undertake or similar activities.

This proposition merely states that mere presence of the need cannot make one an entrepreneur in any area. He should have been concerned about, searching the environment for exploring the possibilities of fulfilling these needs, and thinking about the activities over a period of time. The involvement could be both at the thinking level and at the activity level in terms of seeking information, learning some skills, developing attitudes, etc. No generalization can be made about how long the involvement should have been. It may vary with the nature of activity into which one wants to get in, the skills and other resources he has, the supporting system etc. All that can be said is that, one cannot think one day that he will start an organization and start it the next day. Even if one has the capacity to do it he could have spent some time in developing that capacity. If not, the outcome of such ventures are doubtful and it is more a gambling than entrepreneurship.

The evidence available for this proposition again comes from McClelland and Winter (1969) and also from the personal experiences of the author in interviewing several small industrial entrepreneurs in Gujarat. All the entrepreneurs studied indicate in one way or other their decisions to start a new business activity were preceded by long standing desires, explorations and seeking opportunities.

Proposition 3: Resources: In order to become an entrepreneur in one area or other, the person should have at his disposal certain personal, social, and material resources or resource dispositions which he thinks are related to entering and success in that area of entrepreneurial activity.

There are several things involved in this proposition and this is a crucial proposition for the process of becoming an entrepreneur. This proposition uses the word 'resources' and 'resource disposition' in somewhat broad perspective. Three kinds of resources are mentioned here: personal, social and material. By personal resources is meant the knowledge about the activities etc. involved in performing the entrepreneurial role, the technical skills required to do it, the attitudes, values and personality characteristics relevant to do the kind of activities involved in that particular area. For example to



start a unit to manufacture precision gauges one should have the knowledge of: the process of manufacturing it, skills required to do it with minimum costs, its market value and demand structure, activities involved to do an effective job of managing people; and qualities required to contact others and sell the product (extrovertive characteristic with initiative etc.). If one does not possess these at that particular time of deciding to establish that business, he should at least have been convinced that he has the capacity to develop these traits. Such a belief on the part of the person that he has the capacity to develop the resources is what is here called as a source disposition. Given the opportunity the person thinks that he can develop traits and other resources.

Social resources here represent both reinforcing systems in the family and other primary or secondary groups to which the individual belongs, and the possibility of the individual working with people with whom he can feel comfortable. Encouragement from the family members (parent, husband, wife etc.) from friendship circles, from professional groups, caste groups, etc. help people in engaging in entrepreneurial work. Such encouragement gives some social security.

By material resources is meant the economic resources so that one can get the training before taking up the actual work and also buy all the things needed (raw material, machinery, building etc.) to run the business. If he does not have these resources, at least he should believe that he has the capacity to manage them somehow (resource disposition) and use them properly.

One point worth noting at this stage which would come at a latter stage as proposition is that such resources required are in reality different for different entrepreneurial activities, and even for the same activity different persons may see them differently and give different weightages.

This proposition is such an obvious one that it needs any research support. Only question arises is "how about those persons who enter business or start industries without knowing anything about what they are doing?" As stated earlier such persons are rare and even if available 'gambling' is a better word for them than 'entrepreneur'.

Exception: A word should be mentioned about awareness of resources. Entering and success in entrepreneurship is possible without the awareness that one is using some resources he has without verbalizing

them consciously. For example research studies indicate that successful entrepreneurs in general take moderate risks (McClelland, 1961). Now some entrepreneurs may be using this characteristic they have without being aware of themselves as moderate risk-takers. In fact often, in training programmes of the kind designed by McClelland (McClelland and Winter, 1969) methodology, participants sometimes are taken away by surprise to discover the consistency in their risk-taking patterns.

Proposition 4: Socio-political system: In order for an individual to enter entrepreneurship the socio-political system (SPS) should be seen as reinforcing his needs to establish, develop, maintain or expand his business activity.

By socio-political system is meant the government in general and the society at large. If the government is reinforcing independent small entrepreneurs by giving loans and other facilities etc. and the society at large does not look down upon those involved in these activities, the infra structure including the policies, procedures, rules and regulations etc. of the government and other associated systems have a conducive atmosphere for the growth of entrepreneurship, it is easier and faster for interested individuals to enter entrepreneurship.

For example in a survey at the SIET institute (Malgavkar and Jayachandra, 1972) socio-political system related factors were seen as impediments to the development of entrepreneurship. Fox (1973) and Mines (1973) in their studies of Indian merchants reported that most of them were unwilling to expand their scale of operations or to invest in industry because of economic and political factors. This observation supports the SPS as determiner of entrepreneurship. Two other observations that support the influence of social factors on entry into entrepreneurship have been made through studies by Pathak (undated) and Administrative Staff College of India (1969). According to Pathak, in Ludhiana traditional hosiery industry was owned by Hindus and Jains, the non-hosiery, engineering group by developing industry saw a new community forging ahead as entrepreneurs. This is Rangahria community. The Rangahrias are carpenters by caste and vocation and possess a remarkable degree of adaptability and skills. Considering this one may conclude that caste and community are potential factors in identifying entrepreneurship. ASCI (1969) observed that in the area of manufacturing the entrepreneur would come from agriculture and trade background and in years to come would be a college trained man.

Proposition 5: Additivity of Factors: All the above mentioned sets of factors leading to the entry point of entrepreneurship are additive in nature. An optimal level of presence of these factors is necessary to push an individual to the entry point of entrepreneurship. Such an optimal level depends on the nature of entrepreneurial activity. Presence of some of these factors in heavy weightages may make one to undertake entrepreneurial work although the presence of others is weak (but not below optimal level).

A weak need may push one to start business if he has heavy expertise and enough encouragement from friends. Similarly a strong drive combined with socio-political reinforcement may make one with limited technical skills to enter business. Any combination is possible. But total absence of any one of the above mentioned four sets of factors would mean that the individual is not an entrepreneur but a gambler. The possibility of persons starting business as gambling (with complete lack of some of the factors stated above) and later on learning the tricks of the trade and becoming successful entrepreneurs is not ruled out. For example a friend of author had won a lottery and thought the best way to invest the money is in the production of movies. Not knowing whether he had the skills or not, not thinking of it for any time at all he invested in it. In the process of his investment (after the decision) he learned several things and now he is one of the most successful producer/directors of the movies. Such cases of success are rare and he gets qualified as entrepreneur only during latter stages of success (when he uses the skills he acquired during his initial investment) and not at the initial stage of his investment (where it is more of a gambling).

Once decisions are made to engage oneself in entrepreneurial activities mentioned above, the individual seeks opportunities and uses them to develop his personal/social/material resources needed or believed to be needed to enter and to be successful. In the search for development, he comes across several new dimensions, acquires new concepts, knowledges, skills etc. He may acquire these in an organized form institutionally or incidentally through informal learning, and others' sharing experiences with him. Such characteristics acquired in this process are mostly personal resources. This process of acquiring the knowledge, skills, attitudes, values etc. associated with success in the area of work the individual intends to undertake will be referred to here as professional socialization. A prospective manager may learn the knowledge, skills, attitudes etc. required to be a manager through formal training at a business school or informal

learning through books, contacts etc. Similarly intending manufacturer of rubber products may join a diploma course in that area or join an entrepreneurial development course, sales management course etc. or learn those things by self-prescriptions and contacts. Besides technical skills, certain personality characteristics are required. The following proposition deal mainly with such characteristics.

Proposition 6: Professional Socialization: It is possible to develop through carefully designed training programmes the psychological and social skills required to be successful entrepreneurs. Results of McClelland and Winter's (1969) study at SIET support this proposition. Several detailed propositions relating to this are mentioned in their book on Motivating Economic Achievement.

In fact several training programmes meant for entrepreneurs, like those conducted at SIET institute, Hyderabad, and at Parishram by GIEC, GIDC, GSEC and GSIS and by the Behavioural Sciences Center at Delhi are all based on this model of developing characteristics believed and found to be related to successful entrepreneurship.

Proposition 7: In the process of professional socialization while the individual is developing personal and other resources, his need and involvement are also getting modified. If the training (socialization) reinforces his perceptions before he entered, his needs get reinforced and there will be scope for increased entrepreneurial activity to result. If the individual discovers in the process of socialization that the resources he requires are not congruent with the available resources he reevaluates his decisions to undertake that activity.

This proposition implies that ill equipped individuals drop out at this stage. This may be one explanation for persons joining the entrepreneurial development courses to drop out and not start industries after they are through the courses.

The proposition also implies that in the process of professional socialization new perspectives are developed by potential entrepreneurs and they use these perspectives for reinforcing their attempts to get involved in the entrepreneurial activities. McClelland and Winter's (1969) work at SIET corroborates the validity of this proposition.

This stage is followed by searching the environment, planning and seeking material etc. resources to set up the enterprise or to find an opportunity to put into practice what has been learnt. This process of searching the environment starts the process of organization

developmental socialization. In this process the individual discovers that realities are different and harder than what he has learnt. For example the time gap involved in getting the loan sanctioned, getting tenders for machinery, getting machines in time, getting import licence etc., managing people and supervising them etc. all provide somewhat frustrating experiences. If he can live these frustrations and manages to get into his work (start production etc.) then he would have completed the first step of success.

First few success experiences involved in setting up the units etc. reinforce his drive and enable him to move ahead. Organizational realities he faces at later stages are not generally as hard as the initial problems.

**Proposition 8: Successful Entrepreneurship:** Characteristics required for success in entrepreneurship are different from the characteristics required for entry into entrepreneurship.

There is some research evidence available in India about the characteristics of successful entrepreneurs. Characteristics like modernization, adoption propensity, initiative, independence, internal control, openness to feedback, etc. were found or hypothesized to be associated with success in entrepreneurship. The following are some research studies supporting these. However, of these only Nandy's (1973) study renders direct support to the proposition. Others are summarised here to point out the importance of the personality characteristics in successful entrepreneurs.

McClelland (1969) and his team conducted a series of training programmes at SIET institute. These programmes are based on the philosophy that achievement is a useful characteristic in the development of entrepreneurship and that it is possible to make entrepreneurs through the development of achievement motivation in them. They concentrated on the development of personal resources needed for successful entrepreneurship. There were four sets of inputs built into the training programme: Achievement syndrome, self-study, goal setting and inter-personal support. The results of this training programme revealed that development of achievement orientation in the entrepreneurs did increase their productive economic activity. Such training was found to be more useful for those who had dissatisfaction with themselves and those who would initiate action to solve specific problems. This has implications in bringing out the characteristics associated with successful entrepreneurship.

Researches by Ashish Nandy (1973) reveal that the social psychological skills required by entrepreneurial competence are different from those required for entry into entrepreneurial activities. In this study the measure of entrepreneurial competence was developed by factoring nine indicators of competence, belonging to three main domains: rated present dynamism, actual demonstrated performance, and prognosed future performance. The assessments were based on a year's participant observation by trained researchers. The indicators used were - (a) dynamism of the entrepreneur's firm, rated by one of the participant observers on an eight-point scale; (b) the entrepreneur's innovativeness, measured by averaging the ratings of the two independent observers on a two-point scale; (c) growth in profits, computed by dividing the entrepreneur's income in rupees per month by his firm's age in years; (d) growth in firm size, computed by dividing the N of workers in the entrepreneur's firm by the firm's age in years; (e) the proportion of orders to the entrepreneur's firm "jobbed out", estimated on a three-point scale; (f) prognosis of the entrepreneur's future entrepreneurial status, operationalized as the mean of two independent assessments obtained on a three-point scale; (g) the entrepreneur's predisposition to expand his firm, indexed by summing the dichotomous responses to a set of three questions about his plans for expanding his production, opening a new factory, and finding new methods of marketing his products; (h) the entrepreneur's overall adaptive capacity as an entrepreneur, particularly his ability to face economic crises of various types, assessed on a three-point scale by one of the researchers; and last (i) the entrepreneur's relationship with his workers, measured by averaging two independent assessments on a three-point scale. Only education and religious modernity (not even overall modernity) correlated with entrepreneurial competence whereas n achievement, n power, efficacy and overall modernity were positively related with entry into enterprise. n affiliation did not show any relationship with entry or competence.

Handal (1967, 1969, 1971) studied slow and progressive entrepreneurs of Ludhiana for several of their characteristics. He found that fast progressive entrepreneurs had high need achievement than slow progress entrepreneurs. It was also found that the aspirations, achievement motivation, and inventory tendency were associated with fast rate of industrial growth, whereas hoarding tendency and optimistic tendency seemed to be related towards the slow rate of industrial growth. In general the entrepreneurs had lukewarm attitude towards labour unions.

Singh (1968, 1970, 1970a) has conducted a series of studies on agricultural entrepreneurs. He identified successful/unsuccessful agricultural entrepreneurs through the estimates of per-acre yield by the

individual farmer and his fellow farmers. Failure was taken only to mean low production on a comparative basis and not complete failure (Singh, 1968). His first analyses of the relationships between anxiety and risk-taking in successful and unsuccessful entrepreneurs. He found in one study (Singh, 1970) of 80 farmers progressive agricultural entrepreneurs had a positive rating of their economic progress, liking for their present occupation, preference for agriculture as a profession for their sons, a positive attitude towards modernization and individual farming in comparison with traditional methods of farming.

In another study (Singh, 1970a) of risk taking behaviour he found that traditional agricultural entrepreneurs whether successful or unsuccessful, exhibited higher anxiety scores than the progressive ones. The extreme (high or low) risk-taking scores were found in successful and unsuccessful traditional agricultural entrepreneurs respectively. The progressive ones showed moderate risk-taking scores. In the case of successful entrepreneurs a positive (but not significant) trend of relationship was found between anxiety and risk-taking scores, but a significant inverse relationship was found in the case of unsuccessful entrepreneurs and in combined group. These studies directly related stage 5 in the model and support the hypothesis that the qualities required for success in entrepreneurship are moderated by the sector of entrepreneurship and type (here traditional-modern) of entrepreneurship etc. There cannot be several universal qualities required to be a successful entrepreneur.

Javillonar and Peters (1973) compared two approaches to small scale industrial entrepreneurship in India. McClelland's achievement based approach and extended family impact approach. The study on 27 industrial entrepreneurs in a north Indian town revealed that entrepreneurship among the Indian small-scale entrepreneurs is more a consequence of their family and other situational factors than individual factors. Achievement was not found related to entrepreneurship. The extended family was found to facilitate an entrepreneur's entry into his occupational role by providing the financial resources necessary in establishing/of skills necessary for running a factory. This study dealt with the first stage and brings out the importance of social resources outlined under the dimension of resources.

/a factory and/or by serving as a training ground for  
the acquisition

These few studies besides supporting the above proposition lead to another proposition.

Proposition 9: Function of areas: Characteristics required for success in one area of entrepreneurship need not be same as those required by another area, and even in the same area at all times and for all groups.

This proposition is to point out to the limitations of using any research findings on entrepreneurship in a generalised way. While there could be certain broad characteristics associated with successful entrepreneurship, they cannot be said to be causative all the time.

These propositions have been represented in the form of model for entrepreneurial development in figure 1. There are in all 5 stages shown in the model. The research studies cited above fall into one or the other stages of this model. For example Pareek and Kumar's (1969) is a retrospective study of stage 1 (need) conducted when the sample was at stages 3 (potential entrepreneurs) and 5 (actual entrepreneurs). McClelland and Winter's (1969) is a study of stages 3, 4 and 5 and the connecting linkages. Acquisition of resources is shown as a continuing process in the model by connecting stages 3 and 5. During the process of experiencing the organization one has evolved, the entrepreneur discovers his new requirements and tries to develop these. Hence there is a linkage established between these three stages. Such linkages are also possible in other stages but they are probably not distinct. The model presented here is close to a sequential model. While this is the most likely sequence there could also be some minor deviations.

In stages 3 and 5 decisions to leave (retort back the position where he was before deciding to be involved in entrepreneurial activities) are likely to occur. One possibility is that the person may not pursue his interests in starting an enterprise if he discovers after certain formal or informal training that he lacks the resources needed for entry into or success in entrepreneurship. This is in stage 3. This happens in stage 5 when he has to face hard realities which he realizes as difficult on his part. Such decisions on drop outs are likely at any point of time when expectational non-congruence between original and latter expectations occurs, i.e. when the individual realizes that he had overestimated his resources. Such drop outs are also likely if needs, involvement or sociopolitical system are weak from the beginning.



### Implications for Research

This model has several implications for future research in entrepreneurship. As pointed out earlier researches in India have dealt with the study of the entrepreneurs at one stage or the other. In fact a majority of the studies as reviewed earlier, concentrated on the study of entrepreneurs in the 5th stage (after setting up their enterprise) and studied the characteristics associated with successful entrepreneurship (Singh, 1970, 1970a; Hundal, 1969, 1971; Nandy, 1973; Javillonar and Peters, 1973; etc.). A few studies starting from McClelland and Winter's (1969) concentrated on the third stage leading to fifth stage when they studied the impacts of entrepreneurial development training programmes on entrepreneurship and entrepreneurial success. (For example the evaluation study which has just been completed by the Indian Institute of Management team for entrepreneurship programmes of Gujarat). A few studies exclusively dealt with first stage (like Pareek and Kumar, 1969). There are no longitudinal investigations available on the life patterns and development of entrepreneurial career. Many such macro level studies going into the depths are required. Even the few micro studies on selected aspects of entrepreneurship are not extensive. For example what kind of optimal weightages between the four sets of factors are needed for decisions to be involved in entrepreneurial activities? What are the predictors of successful entrepreneurship in terms of the personality, involvement, resources, etc. present at the time of first decisions? What kind of hard realities contribute to drop outs? What is the personality profile of a successful entrepreneur as contrasted with an unsuccessful one etc.? These and many other questions need to be answered through research.

### Implications for Training

This model also has implications for identifying entrepreneurial potential encouraging and developing it through systematic training programmes. Assuming that the model is tested and found to be sound it will have the following kinds of implications:

1. To identify persons who are likely to be benefited by entrepreneurial development programmes (potential entrepreneurs) selection tests should attempt to measure the dimensions outlined in stage 1. This would necessitate the accurate identification of other personality characteristics associated with entry into entrepreneurship, besides need, resource dispositions, involvement, etc.

2. To identify potential entrepreneurs who are likely to be successful selection tests should also measure if the aspirants possess or at least have the attitude for the characteristics associated with success. This would need research to establish such characteristics.
3. To reduce the possible drop outs in stages 3 and 5 and thereby to reduce programme costs of entrepreneurial development programmes educational campaigns should be organized at stage 2 itself. This would help eliminating potential drop outs at early stages and save both individual and agency time.

This would also require systematic studies to find out the false perceptions some of the aspirants to entrepreneurship have, professional socialization leading to their dropping out from the programme, difficulties associated with the management of material resources etc. Such studies would through insight and would help minimize drop outs in the second stage itself.

4. In weak cases of entry possibility having high potential for success, programmes could be run to boost up their involvement, their sensitivity to their own resources, and motivational patterns.

For example highly technically trained and imaginative people could be given motivation programmes to help them enter entrepreneurship (stage 2 or 3).

5. Administratively some systems could be worked out by the government to tackle this problem of hard realities and help entrepreneurs have smooth run.
6. The entrepreneurial development programmes may attempt to provide some organizational socialization by putting the entrepreneur through specially designed experiences (internship programmes in institution building etc.).

However, much research is required before any of these steps are taken. Fortunately, Behavioural Sciences have advanced to such an extent that such explorations are now easy. In fact a few organizations like the MSSIDC, GIDC, and SIET institute are trying to do some work in these directions. As several international agencies are also getting interested recently more coordinated efforts are expected in future.

Entrepreneurial Socialisation

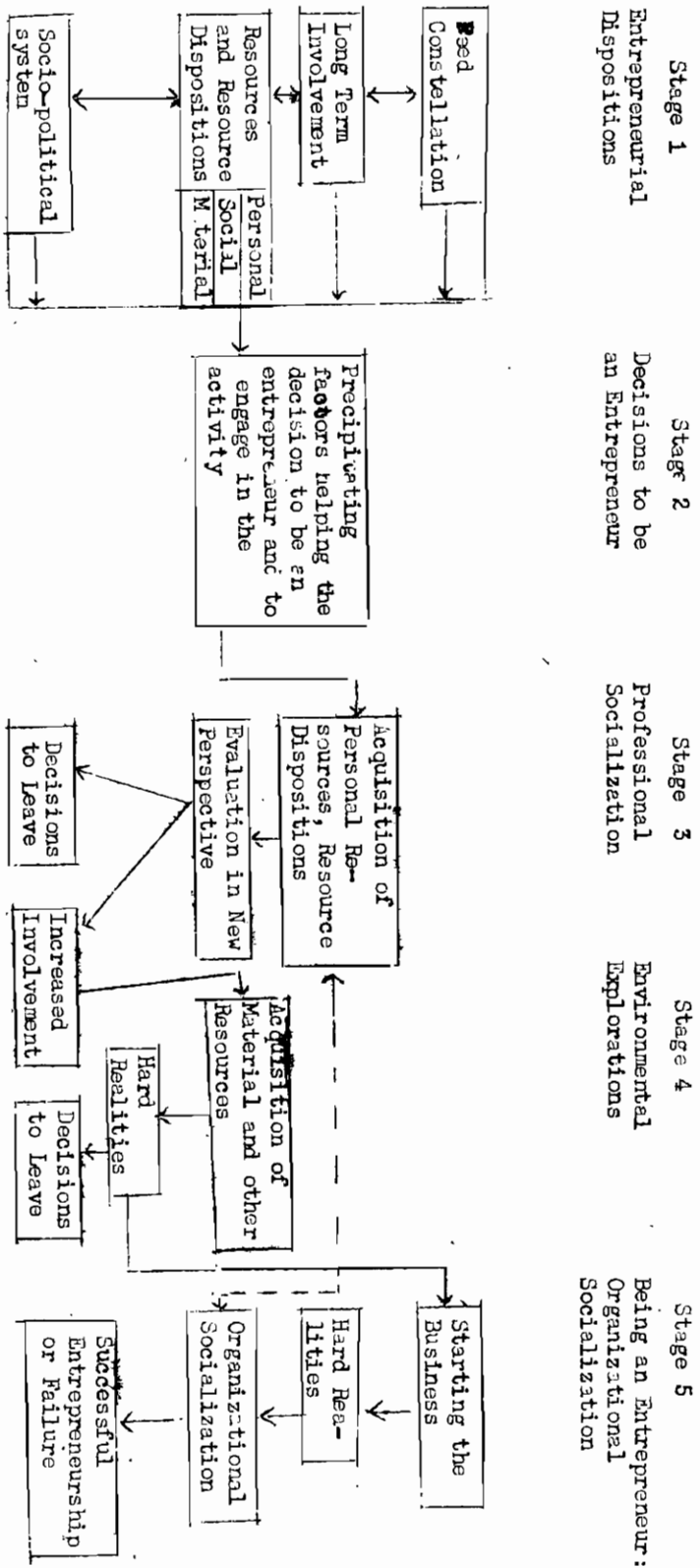


Figure 1: A Behavioural Model for the Development of an Entrepreneur

References

- Administrative Staff College of India. Emerging Investors: A Rural Profile, Hyderabad, 1969.
- Christopher, K.J. Socio-psychological factors influencing the adoption of innovation of starting a small industry unit, Hyderabad, SIET Institute, 1969.
- Fox, R.G. Fariah capitalism and traditional Indian Merchants, past and present. in Singer, Milton (Ed.) Entrepreneurship and Modernization of Occupational Cultures in South Asia. Duke University, 1973. p.16-33.
- Hundal, P.S. A study of attitudes of small scale industrial entrepreneurs. Indian Journal of Applied Psychology, 1967, 4(1), 28-32
- Hundal, P.S. Achievement motivation of the fast and slow progressive industrial entrepreneurs. Proceedings of XII International Congress of Research and Projective Techniques, Hous, Huber, 1968.
- Hundal, P.S. A study of entrepreneurial motivation: comparing the and slow progressing small scale industrial entrepreneurs of Punjab. Journal of Applied Psychology. 1971, 55 (4), 317-333
- Javillonar, G.V. and Peters, G.R. Sociological and psychological aspects of Indian entrepreneurship. British Journal of Sociology, 1973, 24(3), 313-328.
- Malgavkar, P.D. and Jayachandra, P. Assessment of the Problems and Needs of Small Industries in Andhrapradesh. Hyderabad: SIET Institute, Feb, 1972.
- McClelland, D.C. The achieving society. D. Van Nostrand Company, Inc. 1961. (Chapter 2, 5 and 7).
- McClelland, D.C. & Winter, David, G. Motivating economic achievement. New York: Free Press, 1969.
- Maslow, A.H. Motivation and personality. New York: Harper, 1954.

- Mines, M. Tamil Muslim Merchants in India's Industrial Development in Singer, Milton (Ed.) Entrepreneurship and Modernization of Occupational Cultures in South Asia. Duke University, 1973.
- Nandy, Ashish. Motives, modernity, and entrepreneurial competence. Journal of Social Psychology, 1973, 91, 127-136.
- Nandy, Ashish. Entrepreneurial cultures and entrepreneurial men. Economic and Political Weekly, 1973, 8(47), 98-106.
- Fareek, U. and Fumar, V.P. Expressed motives of entrepreneurship in an Indian town. Psychologia, 1969, 12(2), 109-114.
- Fareek, U. A motivational paradigm of development. Journal of Social Issues, 1967, 24 (2), 115-122.
- Pathak, H.N. Growth of Small Industries in Ludhiana, Ahmedabad: Indian Institute of Management, 14 p.
- Singh, N.P. Risk-taking and anxiety in agricultural entrepreneurs. Manas, 1968.
- Singh, N.P. Different attitudes of agricultural entrepreneurs towards social and economic goals. Indian Journal of Social Work, 1970. 31(2), 177-182.
- Singh, N.P. Risk-taking and anxiety among successful and unsuccessful, traditional and progressive agricultural entrepreneurs of Delhi. British Journal of Social and Clinical Psychology, 1970a, 9. 301-308.