

Personal Traits of the Entrepreneurs to Start the Enterprises at Industrial Estates in Southern Districts of Tamilnadu

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Abstract

The problem of entrepreneurial shortage as it affects the growth of industry in the less developed countries would seem to have two mutually reinforcing aspects i) The economic environment not generally conducive to the emergence and training of the persons likely to prove successful in initiating industrial activities, and (ii) That even if there was a good supply of such persons, their task as industrial entrepreneurs in a pre-industrial economy would tend to be an extremely difficult one. They shall have to start from the scratch. The personal traits of the respondents represent the psychological framework of the respondents to know the business opportunities and to start and manage the business. The personal traits consist of so many psychological aspects. Entrepreneurship is essential function and behaviour manifestation of a person for shifting resources from areas of low productivity to higher productivity. It is traits like willingness to take risk, high economic achievement motivation, self-confidence, problem solving disposition, adequate knowledge and skill, ability to face uncertainty and good managerial ability. This study will be of immense use for the policy makers and administrators engaged in the development of the small scale industrial sector in the southern districts of Tamilnadu. This study may also be of good use to the academic fraternity engaged in the state's industrial development studies.

Keywords: Personal traits; Entrepreneurship; Industrial; Achievement

Introduction

The United Nations Industries Development organization, has defined industrial estates as “a planned clustering of industrial enterprises offering developed sites, pre-build factory accommodation and a variety of services and facilities to the occupants [1].

One of the factors inhibiting industrialisation of under developed countries is social deterrent, while others being economic, administrative and international factors. Industrialisation is not merely a technological revolution, but a social transformation also. Industrialisation in the least developed countries in the early stages followed western industrialization pattern. High rate of population growth, mass illiteracy, and low per capital income, paucity of capital, prevalence of caste system, factionalism and lack of entrepreneurial ability are the major social deterrents that hamper the industrialization of a nation [2,3]. Generally, due to the rigidity of the social system like the caste syndrome in India, there is general lack of industrial leadership and existence of rigid stratification of occupations which represent a considerable barrier to industrial development.

The problem of entrepreneurial shortage as it affects the growth of industry in the less developed countries would seem to have two mutually reinforcing aspects, (i) The economic environment not generally conducive to the emergence and training of the persons likely to prove successful in initiating industrial activities, and (ii) That even if there was a good supply of such persons, their task as industrial entrepreneurs in a pre-industrial economy would tend to be an extremely difficult one. They shall have to start from the scratch. In order to obviate this difficulty, the governments of the many developing nations have taken upon themselves the task of starting new industries, providing technical education including training of managerial personnel etc. Besides, the governments also play a predominate role in promoting industrial activities particularly in the development of industrially backward areas through incentives like granting concessional finance, providing infrastructural facilities, supplying essential raw-materials, extension activities, fiscal incentives etc. All the state governments in India, usually through their state industrial Development Corporations have set up agencies for such

infrastructural development. The Andhra Pradesh Infrastructure Corporation, the West Bengal infrastructure development corporation, Tamilnadu small Industries Development Corporation (TNSIDCO) and State Industries Promotion Corporation of Tamilnadu (SIPCOT) are some of the state agencies promoting industrial development.

This study will be of immense use for the policy makers and administrators engaged in the development of the small scale industrial sector in the southern districts of Tamilnadu. This study may also be of good use to the academic fraternity engaged in the state's industrial development studies. This study may also be useful for any interested entrepreneur who may like to make a foray into the realm of small sector industries. This study may also be of good use for any lay reader who may be interested to browse into the specifics of small scale industrial sector development in the southern districts of Tamil Nadu.

Data source

The study is based on both primary data. Primary data have been collected from the selected entrepreneurs in the southern districts (Madurai, Theni, Dindigul, Virudhunagar, Ramanathapuram and Sivaganga) of Tamil Nadu with the help of an interview schedule. Secondary data have been obtained from the books, journals, web sites and unpublished records.

Period of the Study

The primary data relating to the entrepreneurs of has been collected during 2014-2015.

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Received November 10, 2015; **Accepted** December 15, 2015; **Published** December 21, 2015

Citation: Narayanan S (2015) Personal Traits of the Entrepreneurs to Start the Enterprises at Industrial Estates in Southern Districts of Tamilnadu. Int J Econ Manag Sci 5: 306. doi:10.4172/21626359.1000306

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Personal traits

The personal traits of the respondents represent the psychological framework of the respondents to know the business opportunities and to start and manage the business. The personal traits consist of so many psychological aspects.

Personal traits of the entrepreneurs are analysed in order to identify whether they have the requisite disposition to undertake activities, which are independent and self-sustaining thereby contributing to their entrepreneurship. The personal factors considered are information seeking, mass media exposure, social participation, cosmopolitans, level of aspiration, and attitude towards self-employment, scientific orientation, decision making ability, economic motivation, managerial ability, problem recognition, risk orientation, urban pull and extension contact.

The selected factors are assessed by a four-level formula. Using the following formula used the marks obtained by the respondents to find out the personal index of the respondents.

$$PI = \frac{\sum_{i=1}^n PS_i}{\sum_{i=1}^n EPS_i} \times 100 \quad (4.1)$$

Whereas

PI	=	Personal Index
PS	=	Personal Factors score
MSP	=	Maximum score of the personality
i.....n	=	Number of Personal Factors

The average score of the different personal factors calculated among the entrepreneurs is presented in Table 1.

It is inferred from Table 1 that the entrepreneurs are very good in the aspects of decision-making ability, attitude towards self-employment, problem recognition and mass media exposure. The mean values of personal factors are 3.32, 3.24, 3.23 and 3.22, respectively. The average score of the personal traits of entrepreneurs is 2.6864.

The respondents according to personal index are presented in Table 2.

Table 2 shows that 75 (33.33%) respondents have the personal index of 41-60. Next to it 61 (27.11%) respondents have the personal index of 61-80. Thirdly 51 (22.67%) respondents are having a personal

Personal Traits	Average Score
Information Seeking	2.85
Mass media Exposure	3.22 (4)
Social participation	2.61
Cosmopoliteness	1.85
Level of aspiration	2.63
Attitude towards self-employment	3.24 (2)
Scientific Orientation	1.45
Decision making ability	3.32 (1)
Economic motivation	2.85
Managerial ability	3.09
Problem recognition	3.23 (3)
Risk taking willingness	3.04
Urban pull	2.14
Extension contact	2.09
Overall	2.6864

Table 1: Personal traits of the respondents.

Personal Index	Number of Respondents	Percentage
Upto 20	12	5.33
21-40	51	22.67
41-60	75	33.33
61-80	61	27.11
Above 80	26	11.56
Total	225	100

Table 2: Personal traits index of the respondents.

Category	Characteristic	Competencies
Psychological	Need for achievement	Initiative
	Need for power	Identifying and acting on opportunities persistence, Seeking information, concern for high quality work commitment to work contact Efficiency orientation
	Independence	System scanning
	Propensity to take risk	Problem solving
	Drive	
	Self-confidence and will power	
	Creativity	
	Ambition	
	Discipline	
	Recognition	
	Benevolence	
	Diligence	
	Adaptability	
Economic	Raising finance	Self-Confidence
	Business experience	
	Occupational background	
	Leadership	Assertiveness
Sociological	Social mobility	Persuasion
	Family background	Use of influencing Strategies.
General	Good Salesmen	
	Pleasing personality	
	Integrity	

Table 3: Characteristics and competencies of entrepreneurs.

index of 21-40. The respondents who have an index of above 80 constitute only 11%.

Entrepreneurship

It appears that entrepreneurship is essential function and behaviour manifestation of a person for shifting resources from areas of low productivity to higher productivity. It is traits like willingness to take risk, high economic achievement motivation, self-confidence, problem solving disposition, adequate knowledge and skill, ability to face uncertainty and good managerial ability. The characteristics and competencies of the entrepreneurs are classified under psychological, economic, sociological and general categories by Mansfield. These are presented in Table 3.

The most frequent characteristics of the entrepreneurs identified by Madhu Murthy [4] are self-confidence, perseverance, determination, energy, diligence, resourcefulness, initiative, flexibility, positive response to challenges, independence, foresight, dynamism, leadership, versatility, knowledge of product, product and technology, responsiveness, profit orientation, perceptiveness and optimism.

The entrepreneurship in the present study is estimated with help

of five important aspects namely self-confidence, task-orientation, risk bearing leadership and originality. Each aspect is estimated with the help an index. These aspects and the related variables are given in Table 4.

The components of the entrepreneurship are rated at four-point scale. The marks obtained by the respondents were used to find out the entrepreneurship index of the respondents.

The average score obtained by the entrepreneurs for each component of entrepreneurship variables is calculated and the resultant average score is shown in Table 5.

It is noticed from Table 5 that entrepreneurship is found high with aspects namely individuality, risk taking, profit orientation, time management and creativity. The means score values of these entrepreneurship are 3.75, 3.51, 3.49, 3.45 and 3.40 respectively. The overall average of entrepreneurship variables among the entrepreneurs is 2.9135.

The distribution of the respondents according to their entrepreneurship is exhibited in Table 6.

It is understood from Table 6 that majority 78 (34.67%) respondents have entrepreneurial index of 41-60. Next, 65 (28.89%) of them having an index of 61-80. The entrepreneurs who exceed an index of 80 are 18 (8.00%), whereas 7.11% of the respondents are having of up to 20.

Association between socio-economic profile variables and entrepreneurship index

The study of an association between the socio economic variables of entrepreneurs and entrepreneurship index are essential to need a special treatment to promote the entrepreneurship among the respondents. In order to analyse the association, twelve profile variables are taken into account [5]. The entrepreneurship index among the respondents is classified into five groups. The association between socio-economic profile variables with entrepreneurship index is analysed with the help of Chi-Square Test and the results are given in Table 7.

It is inferred from Table 7 that the association between

Aspects	Components
Self-confidence	Confidence
	Optimism
	Independence
	Individuality
Task-Orientation	Need for achievement
	Profit Orientation
	Future plan
	Imitativeness
Risk bearing	Business Selection
	Challenge Orientation
	Risk Learning Level
	Decision-making
Leadership	Headship
	Leading
	Sociability
	Time Management
Originality	Resourcefulness
	Versatility
	Openness of mind
	Creativity.

Table 4: Components of entrepreneurship index.

Entrepreneurship Variables	Average score
Confidence	2.90
Optimism	3.09
Independence	3.15
Individuality	3.75 (1)
Need for achievements	2.99
Profit Orientation	3.49 (3)
Future plan	3.24
Initiativeness	2.69
Business Selection	1.41
Challenge orientation	2.81
Risk taking	3.51 (2)
Decision making	2.99
Headship	1.51
Leading	2.99
Sociability	3.09
Time management	3.45 (4)
Resourcefulness	2.93
Versatility	1.99
Openness	2.89
Creativity	3.40 (5)
Overall	2.6135
Entrepreneurship Variables	Average score
Confidence	2.90
Optimism	3.09
Independence	3.15
Individuality	3.75 (1)
Need for achievements	2.99
Profit Orientation	3.49 (3)
Future plan	3.24
Initiativeness	2.69
Business Selection	1.41
Challenge orientation	2.81
Risk taking	3.51 (2)
Decision making	2.99
Headship	1.51
Leading	2.99
Sociability	3.09
Time management	3.45 (4)
Resourcefulness	2.93
Versatility	1.99
Openness	2.89
Creativity	3.40 (5)
Overall	2.6135

Table 5: Entrepreneurship among the respondents.

Entrepreneurship Index	Number of Respondents	Percentage
Upto 20	16	7.11
21-40	48	21.33
41-60	78	34.67
61-80	65	28.89
Above 80	18	8.00
Total	225	100.00

Table 6: Entrepreneurship index.

entrepreneurship and socio-economic variables namely age, education, family size, earning members, occupational background, monthly income and family income are significant at 5% level since their Calculated Chi-Square value is greater than the table value. The other variables are not significantly associated with entrepreneurship.

Correlation between personal traits and entrepreneurship

The personal traits of the respondents are related with the psychological aspects of the respondents; how they view about enterprises, face risk and the like. The score of personal traits and entrepreneurship index of the respondents is separately calculated. The computed results of correlation coefficients of the personal traits and entrepreneurship are shown in Table 8.

Socio Economic profile	Calculated Chi-Square value	Degrees of freedom	Table value at 5% level	Significance
Age	39.411	12	21.026	Significant
Education	41.421	8	15.507	Significant
Sex	7.811	4	9.488	Not significant
Caste	8.199	8	15.507	Not significant
Nature of Family	7.916	4	9.491	Not significant
Nature of Status	13.916	8	15.507	Not significant
Family Size	19.211	8	15.507	Significant
Earning members per Family	32.116	16	26.296	Significant
Occupational background	36.216	20	31.410	Significant
Material Possession	21.916	16	26.296	Not significant
Monthly income	29.391	16	26.296	Significant
Family income per month	29.15	8	15.507	Significant

Table 7: Association between socio-economic profile and entrepreneurship.

Personal Traits	Correlation Co-efficients
Information Seeking	0.1921
Mass media exposure	-0.1971
Social Participation	-0.1661
Cosmopolitaness	-0.0896
Level of aspiration	0.2911
Attitude towards self-employment	0.1361
Scientific Orientation	0.2524
Decision making ability	0.5216 *
Economic Motivation	0.5079*
Managerial ability	0.4164 *
Problem recognition	0.4661 *
Risk taking willingness	0.5362 *
Urban Pull	0.1973
Extension Contact	0.1921

Note: * Indicates significant at 5% level.

Table 8: Correlation between personal traits and entrepreneurship.

It is inferred from Table 8 that there is a positive correlation between Entrepreneurship and the personal variables namely decision making ability, economic motivation, managerial ability, problem recognition and risk taking willingness since their correlation co - efficient are 0.5216, 0.5079, 0.4164, 0.4661, and 0.5362 respectively.

Factors Influencing the Initiation to Start the Enterprise in the Industrial Estates

The factors responsible for starting the enterprise by the respondents in the industrial estates are economic, social, psychological and environmental oriented. The present study confines the variables to economic independence, self-prestige, employment opportunities, technical knowledge, urge to achieve, aspiration about children, financial assistance, use of idle funds, self-interest, encouragement of family members, organizational skill, self-employment, revival of sick unit, social status, entrepreneurial experience, family background, traditional/hereditary, market potential, earning income, more dependents, unemployment and challenge seeking. The respondents at five-point scale rate the said 22 variables namely highly important, important, moderate, not important and not at all important with score values of 5, 4, 3, 2 and 1 respectively. The principal factor analysis method with Orthogonal Varimax Rotation is used to identify the factors that contributed to the initiation and management of the enterprise.

The twenty two variables included in the factor analysis reveals that four factors influence the initiation to start the enterprises in the industrial estates namely (i) Achievement and support factor, (ii) Interest factor, (iii) Traditional status factor and (iv) Economic necessity factor. The variables namely economic independence self-prestige, employment opportunities, technical knowledge, urge to achieve, aspiration about children, financial assistance and use of idle funds

are included in achievement and support factor. The variables namely self-interest, encouragement of family members, organizational skill, self-employment and revival of sick unit are clustered into the interest factor. The traditional status factor includes the variables namely social status, entrepreneurial experience, family background and traditional/hereditary whereas the economic necessity factor includes market potential, the earning income, more dependents, unemployment and challenge seeking.

The communality value (h²) as shown in Table 9 indicates the power of variable to explain the factor altogether. A higher communality represents the degree of variable that explains the factors together are higher. By communality values, the important variables that influence the respondents to the initiation and management of the enterprise are economic independence, self-interest and technical knowledge since the communality values are 0.8919, 0.8180 and 0.7460 respectively.

The Eigen value of the factor indicates the degree of factor which explains the variables altogether. A higher Eigen value shows greater intensity of the factor that explains the variables altogether. By Eigen values, the most important factors that influence the respondents to the initiation and management of the enterprises are achievement and support factor and interest factor since the Eigen values are 4.3854 and 2.8899 respectively.

Conclusion and Summary

Personal traits of the entrepreneurs are analysed in order to identify whether they have the requisite disposition to undertake activities, which are independent and self-sustaining thereby contributing to their entrepreneurship. The entrepreneurs are very good in the aspects of decision-making ability, attitude towards self-employment, problem recognition and mass media exposure. The mean values of personal factors are 3.32, 3.24, 3.23 and 3.22, respectively. The most frequent characteristics of the entrepreneurs identified self-confidence, perseverance, determination, energy, diligence, resourcefulness, initiative, flexibility, positive response to challenges, independence, foresight, dynamism, leadership, versatility, knowledge of product, product and technology, responsiveness, profit orientation, perceptiveness and optimism. The Eigen value of the factor indicates the degree of factor which explains the variables altogether. A higher Eigen value shows greater intensity of the factor that explains the variables altogether. By Eigen values, the most important factors that influence the respondents to the initiation and management of the enterprises are achievement and support factor and interest factor since the Eigen values are 4.3854 and 2.8899 respectively.

Suggestions

Integration of promotional programmes for the sector should

Motivation Variables	Rotated Factor Loading				h2
	F1	F2	F3	F4	
Economic Independence	0.8124	0.3514	0.2616	-0.1999	0.8919
Self-Prestige	0.7996	0.2364	-0.0696	-0.1926	0.7372
Employment Opportunities	0.7536	0.0651	0.1996	0.2646	0.6820
Technical Knowledge	0.6949	0.2969	0.3616	0.2103	0.7460
Urge to achieve	0.6341	0.3816	0.3141	0.1949	0.6843
Aspiration about children	0.5916	0.2969	-0.3216	0.2415	0.5999
Financial Assistance	0.5716	0.0981	-0.1406	0.2964	0.4440
Use of idle funds	0.5616	0.1869	0.2164	-0.3114	0.4941
Self-Interest	-0.2916	0.7516	0.1921	0.3621	0.8180
Encouragement of family members	-0.2361	0.6610	0.2621	0.1921	0.5991
Organization Skill	0.0619	0.5516	0.2461	0.2110	0.4131
Self-employment	0.0691	0.5371	0.1921	0.2961	0.4178
Revival of sick unit	-0.1213	0.5216	-0.2162	0.2461	0.3941
Social Status	0.3341	0.2461	0.6621	0.3516	0.7342
Entrepreneurial Experience	0.0491	0.2461	0.6121	-0.0961	0.4469
Family background	0.1621	0.4924	0.5216	-0.2121	0.5858
Traditional/ Hereditary	0.0962	0.1039	0.5124	0.1629	0.6582
Market Potential	0.1324	-0.2816	0.1241	0.5921	0.4628
Earning Income	0.2061	-0.1941	0.4216	0.5518	0.5624
More dependents	0.3161	-0.0916	-0.2411	0.5349	0.4526
Unemployment	-0.2961	0.4516	0.3161	0.5226	0.6646
Challenge Seeking	0.3121	0.4941	-0.2941	0.5141	0.6923
Eigen Value	4.3854	2.8899	2.5447	2.8653	

Table 9: Factors influencing the initiation to start the enterprise in the industrial estates.

be made with other areas of development programmes which could also correct the regional imbalances. Organisations of production and distribution functions with deliberate bias towards village and small scale industries sector in such a way as to create opportunities for fuller and additional employment on dispersed and decentralised basis; creation of suitable organisational base as various levels to implement the development of programmes for the sector should be attempted to. Some other notable support measures for the small enterprises include; reservation of items for exclusive production and purchase; provision of financial and fiscal incentives; supply of raw materials and machinery through the wide network of promotional bodies, viz., Small Industries Service Institutes (SISIs), District Industries Centres (DICs), Central Industries of Tool Design (CITD) Institute for Design and of Electrical measuring instruments (IDEM) and National Institute for Entrepreneurship and Small Business Development (NIESBUD). The success of EDPs, which has been conceived as integral part of promotional measures, will mean faster growth of small enterprises run by young and highly motivated entrepreneurs.

The promotion of industrial estates has to be combined with entrepreneurial response and capability. Therefore, identifying appropriate and effective entrepreneurial talent occupies a significant place in any programme related to the development of small scale.

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