

NEED FOR SUCCESSFUL ENTREPRENEURS IN INDIA

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Abstract

The present study has been conducted with aim to give an overview on need for successful entrepreneurs in India. An entrepreneur performs a series of functions necessary right from the genesis of an idea up to the establishment and effective operation of an enterprise. He carries out the whole set of activities of the business for its success. He recognises the commercial potential of a product or a service, formulates operating policies for production, product design, marketing and organisational structure. He is thus a nucleus of high growth of the enterprise. The success of an enterprise new or old depends upon the qualities or characteristics of an entrepreneur or entrepreneur. In order to be successful, an entrepreneur must possess certain qualities which are unique of its kind. If we go through the business history of India, we come across the names of Tata, Birla, Modi, Dalmia and others who started their business with small size and made good fortunes. This is possible only because they possess all the entrepreneurial qualities. The knowledge of entrepreneurial competencies or traits has been sharpened over the last five decades. It made the people to believe that entrepreneurs are made not born. According to this view, a person possessing a judicious combination of knowledge, skill and motives can be a successful entrepreneur. Entrepreneurship Development Institute of India (EDI) study to identify what makes an entrepreneur successful found that possession of a set of entrepreneurial competencies or characteristics is necessary for superior performance. Mere possession of competencies is not enough. One should develop these competencies through training, experience and guidance.

Keywords: *Genesis of an Idea, Activities of the Business, Characteristics, Entrepreneurial Competencies, Judicious Combination of Knowledge and Superior Performance.*

Introduction

An entrepreneur is an individual who accepts some sort of risk usually financial in the pursuit of new ventures. The word can apply to any person organizing a new project or opportunity, though it is most often used in a business context. A person in this role is often characterized as innovative, independent, optimistic, creative, and hard-working. The characteristics of an entrepreneur include being a risk taker and having self-confidence. An entrepreneur is a person who is highly driven. The individual generally does not require external motivation, and she is able to multi-task. To achieve what she sets out to do, an entrepreneur displays her persistence and pays sharp attention to details. One of the most evident characteristics of an entrepreneur is of being a risk taker. When a person ventures out on his own and is determined to achieve goals on his own terms, there are no guarantees. The risks that an entrepreneur takes include damage to finances, reputation, and livelihood. For many people, this alone is enough to deter entrepreneurial pursuits. Self-confidence is another of the readily identifiable characteristics of an entrepreneur. This is often necessary because entrepreneurs commonly attempt to succeed with new ideas. People tend to be skeptical of ideas that have not been proven to work or when

individuals whom they perceive as ordinary attempt to do great things. As a result, entrepreneurs usually have to obtain a lot of support from inner resources.

Entrepreneurs tend to be people who are highly driven. Unlike individuals who are accustomed to working as employees, an entrepreneur does not require the threat of consequences to do what needs to be done. Most do not require others to encourage them to act on their ideas or to keep them motivated. A person with an entrepreneurial spirit works toward her goals with a self-generated sense of urgency. There is usually a long list of tasks that need to be completed if an entrepreneur's goals are to be realized. Some individuals may be fortunate enough to have others to whom they can delegate many of these responsibilities. In many cases, however, an individual must rely upon himself until he achieves a certain degree of success. Considering this, the characteristics of an entrepreneur include being a hard worker and having strong multi-tasking abilities. These individuals are usually persistent. It is rare to find an entrepreneur who sets goals and achieves them without obstacles. Some of the most successful people have experienced some grave failures. Due to the type of people they are, however, they refused to give up and converted obstacles into challenges.

Objectives of the Study

The study aims with following objectives

1. To identify essential components that determines the success of any entrepreneur.
2. To know above various important traits of entrepreneurs.
3. To analyze various factors of an entrepreneurs with their traits.
4. To give valuable suggestions with conclusion.

Operational Definitions

“An entrepreneur supplies risk capital as a risk taker, and monitors and controls the business activities. The entrepreneur is usually a sole proprietor, a partner or the one who owns the majority of shares in an incorporated venture”

According to economist Joseph Alois Schumpeter (1883-1950), “entrepreneurs are not necessarily motivated by profit but regard it as a standard for measuring achievement or success”.

Review of Literature

Hill and Narayana (1990) as cited by Rami Alasadi (2007) disclosed that a successful growth company was characterized as providing high quality products and services, good reputation, efficient customer response and devotion to job. High employee devotion and spirit, and good management and employee relations are significant indicators in improving business performance. Box (1994) as cited by Wendy Ming - Yen (2007), studied the correlation of employment growth in manufacturing entrepreneurs with predicted variables

of entrepreneurial characteristics, psychological differences and environmental scanning practices.

Duchesneau and Gartner (1990) as cited by Rami Alasadi (2007) identified three categories of factors that were thought to influence the likelihood of SME success, which are more or less similar to Storey's SME's growth factors. These three factors are entrepreneurial characteristics, the start-up behavior, and the firm's strategy. Their research disclosed the factors appearing to make greater contribution to successful performance include the following characteristics: the entrepreneur should have prior start-up business experience, effort to reduce business risk, the intention to work for long hours, ability to communicate with various parties, excellent customer response and services, clear and broad business ideas, good planning techniques and flexible participative and adaptive organizational structure.

Storey (1994) has extended a broad view of key factors comprising three components in this analysis of the growth of small firms;

1. The characteristics of the entrepreneur
2. The characteristics of the firm and
3. The business strategies associated with growth

These characteristics are used in the study conducted by Small Business Policy Branch Industry Canada to study the growth determinants of Micro-business in Canada.

Important Traits for the Entrepreneurs

The knowledge of entrepreneurial competencies or traits has been sharpened over the last five decades. It made the people to believe that entrepreneurs are made not born. According to this view, a person possessing a judicious combination of knowledge, skill and motives can be a successful entrepreneur. Entrepreneurship Development Institute of India (EDI) study to identify what makes an entrepreneur successful found that possession of a set of entrepreneurial competencies or characteristics is necessary for superior performance. Mere possession of competencies is not enough. One should develop these competencies through training, experience and guidance. As per EDI study, following is a list of major traits of entrepreneur that contributes towards top performance.

Essential Components that Determine the Success of any Entrepreneur Knowledge

Knowledge refers to the collection of information and retention of facts that an individual stores in some parts of his or her brain about any job or activity. Knowledge forms the basis for any action but mere possession of knowledge is not sufficient to perform the job or activity effectively unless one has something more than knowledge component to perform the activity. In real life situations, one may find various examples, where people possessing more knowledge have miserably failed in performing the task. For example, a person having enough knowledge about games and sports may not be a successful sportsman

unless he has something more than the knowledge component to perform the activity. Therefore, only knowledge cannot ensure success. Success depends upon the ability or skill of using the acquired knowledge for achieving desired results. He must have the skills to translate the knowledge into action.

Skill

Skill refers to practical application or use of the knowledge. It is the ability to demonstrate a system and sequence of behaviour. It can be acquired only through practice which enables the individual to demonstrate the system and sequence of behaviour that are functionally related to perform a task. Going by the example, a person can acquire enough knowledge about games and sports by reading, listening, visuals etc. but cannot be a successful sportsman. Unless he has the skill which can be acquired only through regular practice. Thus performance depends upon both knowledge and skill.

Motives

According to Steneir, "A motive is an inner state that energizes, activates or moves and directs or channels behaviour goals." It includes thoughts related to a particular goal state. In simple terms, it is an inner urge of an individual to achieve his/her goal which McClelland has termed as 'Achievement Motivation'. Thus, it is an urge for which one has continuous concern in his or her mind which directs one to get into certain actions so that the concern that one shows gets satisfied. Coming back to the example already cited, the knowledge of games and sports followed by regular practice will not lead a person to become the best sportsman or athlete within a given reference group. The individual's urge to do better and better help him to look out for ways and means for improving his standard thereby ultimately increasing the possibility of becoming the best sportsman.

Traits

A trait is a tendency or characteristic of a person through which the person responds to an equivalent set of stimuli. It includes thoughts and psycho-motor activities relating to a general category of events. People who believe themselves to be in control of their future are said to have traits of producing the desired result. Thus, in order to achieve success in any venture including that of launching and managing an industrial venture successfully and effectively, a person must possess a set of knowledge, skill, motives and traits which could be together called as 'entrepreneurial competencies' or 'traits'.

Most Essential Qualities of a Successful Entrepreneur

Initiative

Initiation of any business activity should come from the entrepreneur. It is the entrepreneur who takes action that goes beyond job requirements or the demand of the situation. He does things before being asked or forced by the events.

Looking for opportunities

A successful entrepreneur is one who always is on the look for and takes action on opportunities. He must be always in readiness to exploit it in maximising the interest of the organization.

Persistence

An entrepreneur should take repeated actions to overcome the obstacles that get in the way of reaching goals. He should never be disheartened by failures. He should believe in the Japanese proverb, "Fall seven times, stand up eight".

Information seeking

An entrepreneur is always in search of new ideas and information from various sources to help reach objectives or clarify problems. He can consult experts for business or technical advice. He personally undertakes research, analysis or investigation on his own to get information in realising his goals.

Concern for quality products

Successful entrepreneurs always believe in high quality standards of their products with reasonable prices. They believe in excellence. They act to do things that meet Or beat existing standards of excellence.

Commitment to Work

Successful entrepreneurs do every sacrifice to get the task completed. They put highest priority for accomplishing their objective. They are committed to their work. They also express a concern for satisfying their customers.

Efficiency Orientation

Successful entrepreneurs find ways to do things faster with fewer resources at lower costs. They are always interested in devising new methods aimed at promoting efficiency.

Systematic Planning

Entrepreneurs develop and use logical, step-by-step, realistic and proper plans to accomplish their goals. They believe in systematic planning and its proper execution to reach goals.

Problem Solving

Successful entrepreneurs are challenging by nature. They always try to find out ways and means to overcome the problems that come in their way. They also identify new and potentially unique ideas to achieve their targets.

Self-Confidence

Successful entrepreneurs must have a strong belief in themselves and in their own abilities. They have full faith and confidence on their own knowledge, skill, and competency to complete a task or meet a challenge. They are not at all cowed down by difficult situations.

Assertiveness

A successful entrepreneur must be assertive in nature so that he can assert his issues with others for promotion of interest of his enterprise. He tells others what they have to do and rebuke or disciplines those failing to perform as expected.

Persuasion

A successful entrepreneur must be able to persuade others to do the work the way he wants them to do. He is able to convince others through his knowledge and competence. He asserts strong confidence in his own company's product or services. He must possess the ability to convince everybody - sellers, consumers, employees, creditors etc.

Monitoring

Successful entrepreneurs ensure regular monitoring of the working to achieve the organization's goal in the best possible manner. They personally supervise all aspects of their project to ensure completion of the work within the schedule time and cost.

Concern for employee's welfare

Concern for employee's welfare should be at the top of the agenda of successful entrepreneurs. They give priority to improve the welfare of the employees because it is the employees whose dedication and commitment services lead to super performance of the organization.

Effective strategist

Successful entrepreneur develops and uses varieties of effective strategies to accomplish own objectives. They also evolve relevant strategies which will safeguard and promote the interest of the organization.

Analysis Part of the Study**Table 1: Analysis Based on Personnel Psychology**

Factors	Percentile Position	Garret's Score	Ranks
Energy Level	6.25	80	1
Physical Health	18.75	68	2
Need Achievement	31.25	60	3
Willing to take risks	43.75	53	4
Creative	56.25	47	5
Need for affiliation	68.75	40	6
Desire for money	81.25	32	7
Tolerate uncertainty	93.75	20	8

Source: Primary Data

Table 2: Analysis Based on Level of Performance and Gender of the Respondents

Gender	Level of Performance			Total
	High	Medium	Low	
Male	18	26	16	60
Female	17	19	4	40
Total	35	45	20	100

Source: Primary Data

Table 3: Analysis Based on Level of Performance and Age of the Respondents

Age	Level of Performance			Total
	High	Medium	Low	
Below 35	15	20	10	45
35 - 50	5	15	8	28
50 - 65	8	8	1	17
Above 65	7	2	1	10
Total	35	45	20	100

Source: Primary Data

Table 4: Analysis Based on Level of Performance and Locality of the Respondents

Locality	Level of Performance			Total
	High	Medium	Low	
Urban	20	25	15	60
Rural	15	20	5	40
Total	35	45	20	100

Source: Primary Data

Table 5: Analysis Based on Level of Performance and Income of the Respondents

Income	Level of Performance			Total
	High	Medium	Low	
Below Rs.1 lakh	15	10	5	30
1 - 3 lakhs	10	15	7	32
3 - 5 lakhs	5	12	7	24
Above 5 lakhs	5	8	1	14
Total	35	45	20	100

Source: Primary Data

Table 6: Analysis based on Most Required Traits and it's Ranks by the Respondents

Factors	Frequencies	Garratt's Score	Total Score	Ranks
Take initiative	14	80	1120	1
Innovation in Business	8	68	544	2
Leadership Effectiveness	11	60	660	3
Likes to collect information	5	53	265	4
Competitiveness	1	47	47	5
Versatility	1	40	40	6
Get along with employees	1	32	32	7
Need for Power	1	20	20	8

Source: Primary Data

Table 7: Analysis Based on Traits and Percentage of Variance

Factors	Eigen Value	Variance in Percentage	Expression in terms of Ranks
Visionary	8.130	40.648	1
Risk taking	2.197	10.986	2
Demand for quality and efficiency	1.882	9.410	3
Commitment to work contract	1.454	7.269	4
Persistence	1.250	6.252	5
Seeking opportunity	1.052	5.261	6

Source: Primary data

Suggestions

1. Leaders need to show, not just tell. If you want your employees to be punctual, make sure you are there on time or even early. If professionalism is a priority, make sure you are dressed for success, and treat everyone you interact with (both in-person and online) with courtesy. Set the tone and your employees will follow it.
2. Effective communication is imperative, both in the office and in life. Great leaders make sure they are heard and understood, but they also know the importance of listening. Communication is a two-way street, and making the most of it will have your company zooming forward instead of pumping the breaks.
3. Even the kindest, most caring leader has limits. Set your boundaries and stick to them. Knowing what you will not tolerate can save everyone in the office a lot of frustration, and keeping boundaries clear means there's no confusion.
4. While many people advise keeping emotions separate from matters of business, business is ultimately about relationships between people. To make these relationships last, you need to be emotionally intelligent to be sensitive to different points of view and different backgrounds. When using your head to do what's best for your company, don't forget to have a heart.
5. To once again quote an adage, those who don't learn from the past are doomed to repeat it. History, recent and otherwise, is filled with examples of successful

business models and spectacular business failures. Think about what the people you admire do well, and consider what went wrong for those who end their careers mired in scandal or disgrace. Lessons can be found everywhere.

Conclusion

Entrepreneurship contributes to attainment of economic goal in terms of profit generated through the enterprise and social goal in terms of the employment generated by the enterprise. Entrepreneurship Regulations play a crucial role in nurturing entrepreneurship, but regulation requires a fine balancing act on the part of the regulating authority. Unregulated entrepreneurship may lead to unwanted social outcomes including unfair market practices, pervasive corruption, financial crisis and even criminal activity. Entrepreneurs are frequently thought of as national assets to be cultivated, motivated and remunerated to the greatest possible extent. Entrepreneurs can change the way we live and work. If successful, their innovations may improve our standard of living. In short, in addition to creating wealth from their entrepreneurial ventures, they also create jobs and the conditions for a prosperous society. While the debate rages on as to whether entrepreneurs are born or made, one thing can't be disputed: polishing certain skills can help you be a *better* entrepreneur. Whether they are already great at the following skills or could use a few pointers, these are the areas they should focus on for success.

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