He and his colleagues (McClelland, Atkinson, Clark and Lowell, 1983) have extensively developed the n Ach concept. He defined n Ach as the 'desire to do well, to attain an inner feeling of personal accomplishment.

n' Ach is for achievement that motivates people to take risks. It refers to the need for achievement. i.e personal accomplishment. It is the drive to excel, to strive for success and to achieve in relation to a set of standards.

Characteristics of the high achievers

(i) Need for achievement as per goal –set by self
(ii) Anticipation of future possibilities
(iii) Parental influence-[a] high achievers in their boyhood followed fathers more than mothers i. e. influenced by fathers' life style & their advises & aspirations. Fathers not been authoritarian cared the children appreciating their good ideas & actions;
(iv) Energetic or novel instrumental activity
(v) Organizational skills & supports
(vi) Sets moderate achievement goals and takes calculated risks;[+.3 to +.5]
(vii) Wants concrete feedback as to how well he is doing. Profit is not the only goal but it is a symbol of achievement that means achievements is the reward for the moderate risks undertaken.
(viii) Likes situations in which he takes personal responsibility for finding solutions to problems in which the idea of winning by chance does not appeal to him;

High achievers acquired such motivation in their boyhood through their beliefs, values, & ideologies which are generally inculcated into their psychological system in early childhood as they are subscribed to by the parents.

In his research on achievement, David C McClelland found that businessmen, scientists, and professionals all rate above average on achievement motivation. In evaluating the aforementioned characteristics, it can be inferred that without personal responsibility, the achiever would get little personal satisfaction for the successful achievement of the goal. By taking on only moderately difficult tasks, he is most likely to maximize his sense of personal achievement. If he takes on easy problems and succeeds, he will derive very little satisfaction. On the other hand, if he takes on extremely difficult tasks, he will probably fail and therefore, derive no satisfaction at all. Only by taking moderate tasks he is most likely to compile a steady record of successes. Without feedback, he does not know whether the decisions he made were right or wrong. Therefore, he prefers and works best in situations which gives him feedback.

McClelland in one of his studies concluded, "Achievement Motivation can be developed" through proper training of not even lengthy period under optimal condition. Johnson (1981) based on his study has questioned McClelland's (1961) model as to whether persons with McClelland's are actually concerned with competition against standards of excellence or whether they the high need achievers are really concerned more with success rather than the former.Few studies (Lim and Javilloner, 1968; Gilmore, 1971; Javilloner and Peter, 1973; Magdalena, 1977) have reported insignificant or lack of relationship of n Ach to entrepreneurship.

The sure way to miss success is
To miss the opportunity
Charles

The end must justify the means
-Prior

It can be observed that in majority of the research works on entrepreneurship, n Ach has been taken as a common variable and among them majority of the studies reported a positive relationship It, therefore, appears that findings on success and lack of success are quite contradictory to each other. While the majority of such studies (on success and lack of success), reported lack of or negative relationship of n Ach to entrepreneurial success.

 # Relative Characteristics of High and Low Achievement Motivation

One can closely observe the two sets of people irrespective their origin, education and the like. The points to be noted are as under:

[i] Preferring tasks involving some objective risks;
[ii] Can adapt better than others in order to secure the higher level of performance;
[iii] Working harder at tasks which require mental manipulation;
[iv] Wanting to operate in a situation where he can get a sense of personal achievement;
[v] Not working harder under the influence of money reward;
[vi] Performing better under conditions where he has a positive and definite feedback; and
[vii] Tending to think ahead (long- ranged thinking).

McClelland identified two characteristics of entrepreneurship, namely doing things in a new and better way and to make decision under moderate uncertainty. He, therefore, suggests that achievement motive can be considerably increased by planned training and deliberate concerted efforts. He also advised that the parents to set higher level of standards in order to ensure high achievement motivation.

Steps to Raise or Arouse High Achievement Motivation

According to David C McClelland need for achievement motivation may be aroused in case of individuals and the organizations in which such individuals are working. For the purpose, efforts should sincerely be directed to pursue the following:

[a] In case of individual (s)

A feeling of achievement motivation can be raised in the minds of an individual(s) following the steps as under:

i. If the individual thinks or perceives himself as a successful high achiever;
ii. If the goal of the responsibility center are made explicit,
iii. Constantly keeping positive attitude towards accomplishing a task;
iv. Constantly maintain substantial optimism in adverse time, condition or in unfavorable hostile situations;
v. If goals represent a moderate degree of risk for the individuals involved;
vi. Constantly keeping meaningful touch or association with those who are popularly known for their high n'Ach motivation;
vii. Correct reading of the various elements of the existing environment and investment climate;
viii. Constantly maintaining serious interest in selected problems and keep on pursuing practicing a realistic self – learning process of problem –solving of the problems assumed to have been faced.

One can make a deliberate attempt to create in himself or in those he has planned to create a sense and feeling of achievement motivation by making a favorable environment, both physical & mental. Perceiving a favorable state of mind is the first need when acquired, the individual may then be able to convert other required variables as he desire those to be even if these are otherwise.

[b] In the Case of an organization

Similarly, a feeling of achievement motivation can be raised in the minds of an individual or a group of individuals working in an organization following the steps as under:

i. If provision is made in the management control processes for adjusting specific goals when the changes of goal accomplishment changed significantly,
ii. If executive are evaluated in terms of their goal setting behavior,
iii. If individuals are given feedback of the progress they are making toward their goals

iv. If the rewards and punishments formally provided for as part of the management control systems are perceived as consistent with achievement goals,
v. If there is a climate of mutual support and encouragement, and
vi. If there is a climate that emphasizes individual responsibility,

It can be concluded that McClelland's model of nAch and entrepreneurship development has remained as yet a valid model and therefore, the policy makers on entrepreneurship development should take into consideration the points in the direction of McClelland's model.

An organization is nothing but sum total of several individuals. As such, a planned process of developing congenial atmosphere with unbiased appreciation & recognition for every good action & initiative, provision for keeping risks to a manageable level and having adequate scope for growth and rise coupled with easy availability of logistics & required resources for continuous research & experiments with clear assurance from appropriate authority of not to be ridiculed or harassed for a part or total failure of any sincere attempt etc. are some of the steps expected to raise or arouse High Achievement Motivation among the individual(s) and in an organization in which such individuals operate.

Need for Achievement with other Motives of Motivation

McClelland thoroughly investigated and wrote about all aspects of n Ach (achievement). Out of this extensive research has emerged a clear profile of the characteristics of the high achiever. Very simply, the achievement motive can be expressed as a desire to perform in terms of a standard of excellence to be successful in competitive situations. Numerous important human motives meet this criterion. Some of the more important ones are power, achievement and affiliation, or, as they are commonly referred to today, n Pow, n Ach, and n Aff. These three are related to McClellands need for achievement theory. But in addition to these three motives two, other motives such as security and status are also developed by behavioral scientists. These can be seen as under:

Need for Achievement [n Ach]
- ❖ Doing better than competitors
- ❖ Attaining or surpassing a difficult goal
- ❖ Solving a complex problem
- ❖ Carrying out a challenging assignment successfully
- ❖ Developing a better way to do something

Need for Power [n Pow],
- ❖ Influencing people to change their attitude or behavior
- ❖ Controlling people and activities
- ❖ Being in a position of authority over others
- ❖ Gaining control over information and resources
- ❖ Defeating and opponent or enemy

Need for Affiliation [n Aff].
- ❖ Being liked by many people
- ❖ Being accepted as part of a group or team
- ❖ Working with people who are friendly and cooperative
- ❖ Maintaining harmonious relationships and avoiding conflicts
- ❖ Participating in pleasant social activities

Need for Security [n Sec]
- ❖ Having a secure job
- ❖ Being protected against loss of income or economic disaster
- ❖ Having protection against illness and disability
- ❖ Being protected against physical harm or hazardous conditions.
- ❖ Avoiding tasks or decisions with a risk of failure and blame

Need for Status [n Sta]
- ❖ Having the right car and wearing the right clothes
- ❖ Working for the right company in the right job.
- ❖ Having a degree from the right university.
- ❖ Living in the right neighborhood and belonging to the country club.
- ❖ Having executive privileges

2.2 Schumpeter's Views on Entrepreneurship

Schumpeter emphasized the importance of identifying "prescientific vision", and in his own case the task is relatively easy. It is clearly related to his "entrepreneur- mere manager", circular flow-developing system contrasts. Schumpeter's analysis is concerned not with the supply of entrepreneurship but rather with the reactions of the economic system. Thus, the circular flow, innovation clusters, creative destruction, forced savings through inflationary credit creation and so on, have been the major aspects of Schumpeter's theory that he investigated.

According to Schumpeter entrepreneurs generally perform such things as are not normally possible by others. He refers that entrepreneurs innovate the ideas & the modes of translating those into reality. He perceives that people who get pleasure in solving problems that others cannot easily solve are with entrepreneurial traits. Entrepreneurs get ego satisfaction by innovating normally the ways as under:

Ways of Innovations

[i] Form new product / service ideas;
[ii] Develop new cost- effective method without losing quality postulated;
[iii] Creates new customers;
[iv] Finds new source of inputs & skills needed for quality to withstand competition;
[v] Develops new organizational set ups- monopoly or otherwise required to win the internal as well as external barriers.
[vi] Trains employees get pleasure in doing the process with economy;
[vii] Creates markets areas for such products / services

Schumpeter's work, beginning in 1911, is the obvious exception to the above generalizations. His innovation represents not only the first dynamic concept of the entrepreneurial function, but he is the first major write to put the human agent at the center of the process of economic development. Perhaps to facilitate the building of a very general theory, Schumpeter posits a very general theory, Schumpeter posits a single constitutive entrepreneurial function: innovation. Hence, for most of his life the business leader is engaged in non-entrepreneurial "managerial" activities. This contrasts with the less narrowly defined, more empirical conceptualization of entrepreneurship employed by the other writers whose work appears in this volume.

This concept covers the following five cases: (1) The introduction of a new good –that is, one with which consumers are not yet familiar – or of a new quality of a good. (2) The introduction of anew method of production, that is, one not yet tested by experience in the branch of manufacture concerned, which need by no means be founded upon a discovery scientifically new, and can also exist in a new way of handling a commodity commercially. (3) The opening of a new market, that is, a market into which the particular branch of manufacture of the country in question has not previously entered, whether or not this market has existed before. (4) The conquest of a new source of supply of raw materials or half-manufactured goods, again irrespective of whether this source already exists or whether it has first to be created. (5) The carrying out of the new organisation of any industry, like the creation of a monopoly position (for example, through trustification) or the breaking up of a monopoly position.

Schumpeter's theory was framed primarily for economic analysis, but, as he noted, had been found valuable "... even beyond the boundaries of economics, in what might be called the theory of cultural evolution. He had a little interest in developing theory for its own sake, and in consequence its broader implications are observable only in the contest of specific social problems such as those treated in his *Capitalism, Socialism and Democracy,* or in his essay on imperialism and social classes.

Professor Usher recognized, perhaps more clearly than any other scholar, the significance of Schumpeter's contribution to social science research. It was, above all, an integration of theory and history. Even in its most abstract formulation, *The Theory of Economic Development* opened new vistas in the interpretation of economic history. When expanded in *Business Cycles*, all these features of the theory became explicit. Nothing less is at stake than a massive revision of the interpretation of economic history of Europe since the age of discovery.

To complete the framework of Schumpeter's social theory, and make it comparable with Weber's, one postulate must be added to those already mentioned – his contraposition of rationalism and magic. These concepts are mentioned only once – in the analysis on the erosion of his writings. His use of the concept of rationalism is identical with Weber's, and his concept of "magic," including as it does all methods and attitudes resting on nonempirical grounds, seems to cover essentially the same set to phenomena as Weber's *Charisma*.

The present comparison starts from Usher's view of Schumpeter's place in social science. What "new vistas" were opened up by his theory, and how were they related to his central vision? In what respects can Schumpeter's theoretical structure be considered superior to Weber's?

Joseph Schumpeter has done pioneering work on entrepreneurship. According to him entrepreneurship is essentially a creative a activity. It consists in doing such things as are generally not done in the ordinary course of business. An entrepreneur is one who innovates, *i.e.* carries our new combinations or enterprise. Entrepreneurs are especially motivated and talented class of people and key figures in development. They foresee the potentially profitable opportunity and try to exploit it. Innovations involve problem solving and the entrepreneur is a problem solver. An entrepreneur gets satisfaction from using his capabilities in attacking problems.

Forms of Entrepreneurial Innovations

Innovation may occur in the following forms:

(i) The introduction of a new product with which consumers are not yet familiar or introduction of a new quality of an existing product.

(ii) The introduction of a new method of production, that is not yet tested by experience in the branch of manufacture concerned, which need by no means be foundered upon a discovery scientifically new and can also exist in a new way of handing a commodity commercially.

(iii) The conquest of a new source of supply of raw materials or semi-manufactured goods, irrespective of whether this source already exists or whether it has first to be created.

(iv) The carrying out of the new organisation of any industry, like the creation of a monopoly position or the breaking up of a monopoly position.

(v) The opening of a new market, that is a market into which the particular branch of manufacture of the country in question has not previously entered, whether or not this market has existed before.

Schumpeter makes a distinction between an innovator and an inventor. An inventor discovers new methods and new material. On the contrary, an innovator is one who utilises or applies inventions and discoveries in order to make new combinations and thus produces newer and better goods which yield both satisfaction and profits. An inventor produces ideas while the innovator implements these ideas. An inventor is concerned with his technical work of invention whereas an entrepreneur converts the technical work into economic performance. An innovator is more than an inventor because he does not only originate as the inventor does but goes much farther in exploiting the invention commercially.

Every social environment has its own way of carrying out innovations. For example, in a developing country like India revolutionisation of agricultural methods by the Government is an innovation. Introduction of nylon garments, development of mail order business, evolution of computer-aided manufacture, rise of joint stock company are all examples of innovation.

Schumpeter stressed the role of the entrepreneurial function in economic development. He recognised that development was more than putting money into the bank and watching it grow. Development requires basic changes and entrepreneurs carry out the required changes. Entrepreneurial growth brings economic development. The entrepreneur leads the means of production into productive channels.

Schumpeter's concept of entrepreneurship is both wide and narrow. It is wide in the sense that it includes not only the independent businessman but also company directors and managers who actually carry out innovative functions It is narrow to the extent that individuals who merely operate an established business without performing innovative functions excluded.

Schumpter's innovating entrepreneur represents the most vigorous type of enterprise. But this type of entrepreneur is a rare specie in developing countries. The type of entrepreneur who exploits possibilities as they present themselves within a limited time horizon and mostly on a small scale can only produce limited results. Society must produce innovators with a long time horizon and who are capable of achieving substantial transformations.

Schumpeter's views are particularly relevant to developing countries where innovations need to be encouraged. The transformation of an agrarian economy into an industrial economy requires a great deal of initiative and changes on the part of businessmen and managers. However, Schumpter's theory puts too much emphasis on innovative functions. It ignores the risk taking and organising aspects of entrepreneurship. An entrepreneur has not only to innovate but also assemble the resources and put them to optimum use. While stressing upon the innovative function of the entrepreneur, Schumpeter ignored the risk-taking function which is equally important. It is difficult to imagine an enterprise without risk and profit is the main force for undertaking risk. When an entrepreneur develops a new combination of factors of production, there is enough risk involved.

Schumpeter's entrepreneur is a large scale businessman who creates something new. But an entrepreneur have large scale operations from the very beginning. Moreover, in underdeveloped countries people who can adopt the existing technology are needed. Such countries need more 'imitator' than 'innovators'. They have to launch on small scale due to imperfect market, shortage of capital and scarcity of skilled labor.

Schumpeter did not explain why some countries had more entrepreneurial talent than others. He only pointed out that entrepreneurs are not a class in themselves like capitalists ad workers. An individual is an entrepreneur only when he actually carries out new combinations and ceases to be an entrepreneur the moment he settles down to running the established business. The entrepreneur leads the means of production into new channels.

According to Schumpeter, an entrepreneur is basically an innovator who introduces new combinations of means of production. Entrepreneurship is a creative activity and the entrepreneur introduces something new in any branch of economic activity. The carrying out of a new combination implies employment of productive means in a changed form. It is not necessary that new combination is carried out by people who control the product or commercial process. A new combination can be carried out by employing both unused and used means of production. As an innovator, entrepreneur forsees the potentially profitable opportunity and tries to exploit it. He is a problem solver and gets satisfaction by attacking problems.

According to Schumpeter, the basic function of an entrepreneur was to innovate. He wrote everyone is an entrepreneur only when he actually carries out new combinations and loses that character as soon as he has built up his business, when he settles down to running it as other people run their business. An entrepreneur was never a risk-bearer, though the basic function of innovation must always appear mixed with other kinds of activity.

Innovation implies doing new things or doing of things that are already being done in a new way. It includes, introduction on new products, creation of new markets, application of new process of production, discovery of new and better sources of raw materials and developing a new and better form of industrial organisation. Innovation should be differentiated from research and invention. Research seeks to produce knowledge whereas innovation seeks to produce objects which work and can be sold.

Innovation may be bases on the application of knowledge produced by research but it may also be completely independent of research. Research and innovation are based on different skills. Innovation little to do with research. As practice often precedes theory, innovation may open the way to research. For example. steam engine opened the way for the thermodynamics and computers led to programming. Innovations are not necessarily based on research but on ingenious combinations of existing materials and components.

Innovation is also different from invention: Invention implies the discovery of new articles and new methods. On the other hand, innovation refers to the application on inventions and discovery to make new combinations and thereby produce satisfaction and profits. Inventions may facilitate innovations but an invention in itself is of little benefit to mankind, it is marketable. The innovator provides this missing link. An invention becomes an innovation only when it is embodied in a product or service that can be successfully sold in the market.

Some people believe that innovations are carried out by big firms. The truth is that most of the innovations are the handiwork of small firms. Large firms may have strong organisation structures and management skills but they lack flexibility. Due to their intrinsic flexibility small firms can react rapidly to new demands and easily exploit new ideas. A large firm working under the constraints of size and competition tends to perfect existing liens of production in order to increase profits. On the other hand, a small firm tries to exploit the gaps in the production system. Unlike the giant, it is not obliged to engage in expensive conversion and can launch itself on new, narrow or risky markets.

2.3 Everett Hagen's View on the Theory of Social Change

Economic development is seen almost exclusively as a process of technological change which is brought about by the technological creativity of individuals in the society. Thus, Everrett Hagen sees the entrepreneur as a creative problem solver interested in things in the practical and technological realm and driven by a duty to achieve.

Hagen postulates that the sequence of changes separating the typical authoritarian personality of a stable traditional society from the emergence, many decades later, of creative entrepreneurial activity is as follow:

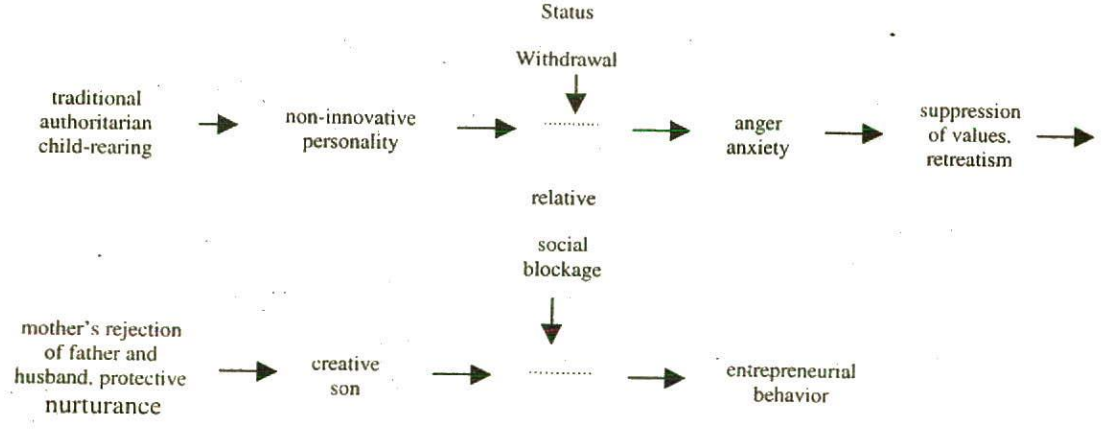


Figure-2.A: Showing Sequence of Changes for Entrepreneurial Motivation

Withdrawal of status respect, also described as group subordination, is one of two exogenous variables in Hagen's system (the other is relative social blockage) and is the trigger mechanism for changes in

personality formation. Status withdrawal "in the perception on the part of the members of some social group that their purposes and values in life are not respected by groups in the society whom they respect and whose esteem they value."

Hagen postulates the fur types of events can produce status withdrawal: (1) displacement by force, *e.g.*, the Norman invasion of England or the derogation of merchants, samurai, and wealthy peasants in seventeenth-century Tokugawa Japan; (2) denigration of valued symbols, *e.g.*, suppression of religious sets in seventeenth-century Russia and England; (3) inconsistency of status symbols with a changing distribution of economic power; (4) nonacceptance of expected status on migration to a new society *e. g*, the Antioqueñts in seventeenth-century Colombia. Once status withdrawal has occurred, the sequences of change in personality formation are set in motion with the creative personality emerging after a minimum retreatist interval of five generations.

2.4 Impact of Work Motivation Theories of Maslow, McGregor, and Herzberg

The theories of Maslow, McGregor, and Herzberg all seem to approach motivation from a different perspective fundamentally to show work incentives. But when these theories are compared in the figure it can be seen that they all emphasize similar sets of relationships. Maslow views the rarely satisfied higher-level needs as the motivating force behind the worker. Herzbeg sees "satisfiers" as motivating after the hygiene factors have neutralized dissatisfaction. McGregor approaches motivation through his theory Y which is based on assumptions concerning the motives of workers. Therefore, all three theories are relevant to studies of motivation, and particularly external motivation.

The three lower-level needs in Maslow's hierarchy of needs theory-physiological, safety, and social, are all relatively satisfied in our industrial society. Therefore, they are no longer strong, driving forces. But quite a number of small entrepreneurs come up to initiate economic activities if no other traditional source living is available to him/them. Conversely, the two higher-level needs, esteem and self-actualization, are rarely satisfied and therefore act the same as the motivators conceptualized by Herzberg

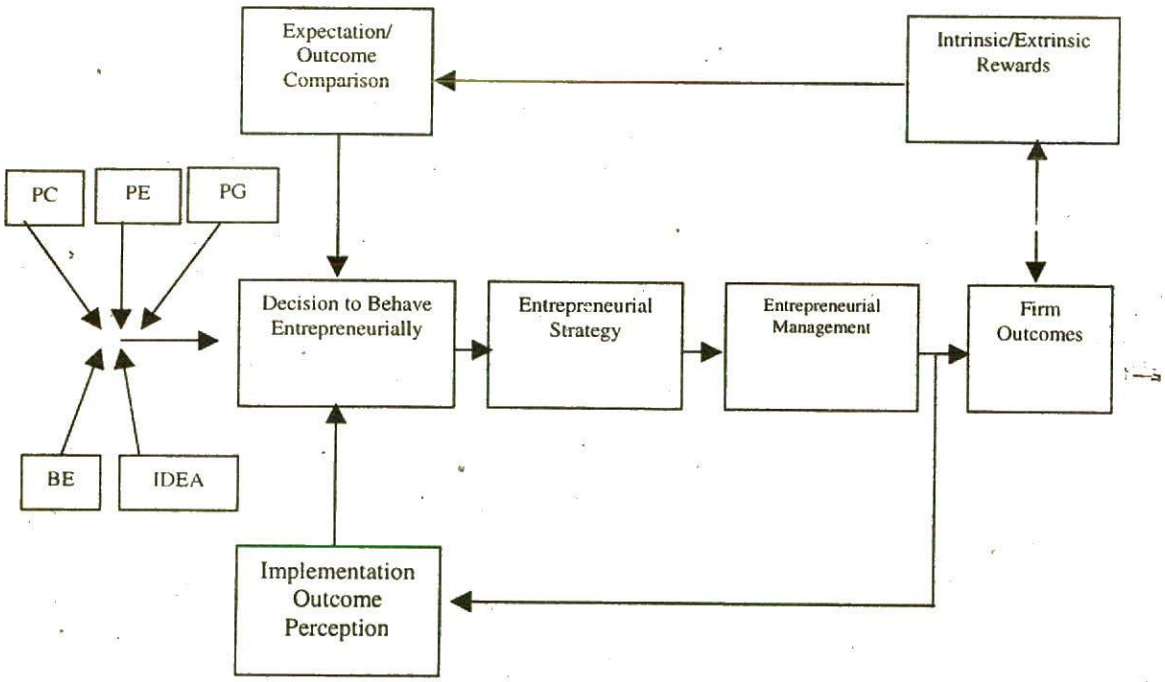
.Maslow		Herzberg		McGregorr
Higher-level needs:		*Motivators*		*Theory Y :*
Self-actualization Esteem	≈	Achievement Recognition Advancement Responsibility Work itself	≈	Satisfaction of esteem and self-actualization needs Responsibility Imagination and creativity Self-direction and self control
Lower-level Needs		*Hygiene factors:*		*Theory X:*
Social Safety Physiological	≈	Company policy and administration Supervision Interpersonal relations Salary Working conditions	≈	Security above all Direction preferable Threats of punishment needed

Figure-2.B: Showing the Relevance of Work Motivation Theories

McGregor's theory Y can be compared to both Maslow's and Herzberg's theories of motivation. Theory Y assumes that the employee, sometimes small entrepreneurs desires satisfaction of his esteem and self-actualization needs, desires responsibility, exercises self-direction and self-control; and is imaginative and creative. Maslow's higher-level needs and Herzberg's motivational factors make the same assumptions. Therefore, a manager so to say an owner manager may choose either higher-level needs, motivational factors, or theory Y assumptions to motivate his employees, motivate them to innovate new products or methods. All emphasize the same set of relationships in creating better work incentives or for taking calculated risk & initiatives to create or to run an enterprise.

2.5 A Proposed Model of Entrepreneurial Motivation

The quest for new-venture creation as well as the willingness to sustain that venture is directly related to an **entrepreneur's motivation.** One research study examined the importance of satisfaction to an entrepreneur's willingness to remain with the venture. Particular goals, attitude and backgrounds were all important determinants of an entrepreneur's eventual satisfaction.



PC = Personal Characteristics
PE = Personal Environment
PG = Personal Goals
BE = Business Environment

Figure-2.C: Showing Proposed Model of Entrepreneurial Motivation

Source: Douglas W. Naffziger, Jeffrey S Homsby, and Donald F. Kuradko, " A Proposed Research Model of Entrepreneurial Motivation", Entrepreneurship Theory and Practice (Spring 1994): 33

2.6 Entrepreneurial Supply Potential in Poor Countries

The supply of adequate number of able & successful entrepreneurs is considered as one of the leading determinants of growth, development & maturity for any country, big or small. Entrepreneurship is a critical resource and shortage of it was found to be a strategic bottleneck for development. Therefore, it is felt necessary to explore why it is scarce in many developing countries. It is of no use to discuss the importance of a particular resource in the context of a particular country's development if the potentiality for that resource is totally absent in that country. Therefore, the point, whether less developed countries have at all the potential for this resource, seems to be relevant here to explore.

Scholars in the fields of social-psychology and anthropology have tried to explain the economic development by social, cultural and psychological variables via entrepreneurship. McClelland (1961) emphasised the relationship of achievement motivation or need for achievement (n Ach) to economic development via entrepreneurial activities. McClelland (1961: 64-65) wrote "the presumed mechanism by which n Achievement level translate itself into economic growth is the entrepreneurial calss. If the n Achievement level is high, there will presumably be more people who behave like entrepreneurs...." But MCClelland (1961) also worked to find out what explains n Achievement. McClelland was influenced by Winterbottom's (1958) works where she explained then n Ach by child rearing practices. McClelland (1961) came to the conclusion that moderate child rearing practices (neither too authoritarian nor too indulgent nor very early achievement demand) are optimal for productin n Achievement which will in turn be translated into entrepreneurial activities leading to economic development.

Similarly, Hagen (1962) referred to the authoritarian child rearing practices of societies which according to Hagen, create authoritarian personalities which are not conducive for the development of creative ideas in children's minds. Therefore, according to these theories, the countries where child rearing prentices are authoritarian or not moderate, there is less chance of the peoples' having higher n Achievement for which there will have less chance of creating entrepreneurial resources in the near future unless dramatic changes occur in their child rearing practices, of course, McClelland (1965; 1966) himself has tried to find the solution to the above problem and found based on his experiments that achievement motivation can be developed through training. No doubt this is a good sign of hope although others have contradicted his model of creating entrepreneurial resource through achievement motivation training. But to come to the main point again, i.e. it is only the child rearing practices, which explain n Achievement among people? Then what about Japan where child rearing practices, as reported in different works (such as Beardsley *et al., (1959)* are not the same as what is required by Mclelland and Hagens model explaining n Ach or creativity? One scholar who worked much on Japanise motivation for development, De Vos (1973; 180-181) opposing McClelland's model commented "McClelland over generalizes Western European and American psychological patterns as the only possible ones expressing need achievement."

Therefore, although here McClelland's n Achievement as an important variable for entrepreneurship and economic development is not disputed but it is diffcult to accept for certain that child rearing practices explain n Ach universally. But again, when McClelland (1961) and Tekiner (1980) reported that the difference in levels of n Achievement explains that difference in the level of economic growth and less developed countries are so because they have low level of n Achievement, the question then arises as to what is the cause of low level of n Achievement or really is it that n Achievement is low in these countries?

The authors (McClelland 1961' Tekiner 1980) measured n Achievement from the stories of children's readers (of those countries) in which they considered the national attitude is reflected. But how far the methods followed by the authors for measuring n Achievement is valid has been questioned by some critics (Schatz, 1971; Redlich, 1963). Again Tekiner (1980) argued that McClelland obtained n Achievement scores from children's readers dated from just after the Second World War which was a period of extreme situational stress for many countries which might have been reflected in the scores of those countries on n Ach.

Therefore, in this state of affairs, it is difficult to come to any conclusion whether these countries had or have the potential for n Ach or whether these countries had or have the potential for n Ach and entrepreneurship which could not be identified because the right socio-cultural advantages could not be identified to be translated into n Achievement as happened in the case of Japan where the 'social sense of belonging' (not the child rearing practices for training self reliance and individualism) was translated into their high n Achievement. Or is it that this point will remain inexplicable and elusive like 'Hunting the Heffalnmp' where the elusive 'Heffalump' in Winnie-the-Pooh was said to be hounded by putting many indigenous trapping devices and everybody claims that he has hounded it and makes his own description about the Heffalump but nobody yet could succeed in capturing him.

However, one reasonable approach in this direction seems to be found in Jamieson's (1978:80) suggestion where he emphasised "the stock of 'solutions' to the economic problems faced by the controllers of the nation state or the individual firm have to be found within the contest of the socio-cultural structure of their own society." Therefore, rather than emphasising and judging the situation in the developing countries by the standards of some of the Western cultures such as child rearing practices etc., it is to be approached in they way as Dr. Jamieson (1978) suggested.

But unfortunately, research done so far to explain the entrepreneurial behaviour in developing countries from socio-cultural viewpoint mostly tried again to judge the situation in the contest of some of the Western cultures' standards rather than trying to find out what cultural factors or strength of the concerned societies could actually explain favorably the emergence of entrepreneurship and economic development. Studies have tried to find out the factors responsible for the lack of entrepreneurial activities from the attitude of the societies towards the profession and the value systems etc. Gerschenkron (1953:6) maintained "the theoretical formula is presumably simple: social approval of entrepreneurial activity, significantly affects its value and quality." Similarly Cochran (1967) observed in case of Latin America that business position carry very Meier and Baldwin (1957) maintained that traditional value system of the societies immunise the importance of economic incentive. Higgins (1959) pointed out about extended family system of some societies which limits the incentive to enter into entrepreneurial activities as incomes are to be shared among the members of the extended family. Linton (1952) raised the problem of nepotism and favoritism towards relatives etc., arising out of strong family ties. This prevents the talented people coming forward to take entrepreneurial jobs. Norman Aitken (1967) conducted a study on entrepreneurship and economic development comparing between subjects of US, Indian and Chinese nativity on some social-psychological traits and concluded that the results of his study did not support the 'McClelland and Hagen' theory that there are lack of entrepreneurial potential in those countries' (such as India). But his study supported the sociological observations made by different authors (Gerschenkron, 1953' Meier and Baldwi, (1957) Higgins, 1959; Linton, (1952) Cochran, (1967) as mentioned above. Of course, it must be stated that his definition and measure of entrepreneurial potential was not the same as that of McClelland.

But the sociological and cultural observations made by the authors regarding underdeveloped countries do not seem to be special phenomena for the underdeveloped countries. Instances of such societal attitudes are not rate even in economically developed countries. McClelland (1961 : 20) argued that if there is a correlation between national rate of economic growth and prestige of business occupation in different countries then "why is it that Rosenberge (1957) finds in the most economically advanced country in the world, the United States, that very few Cornell students want to enter business, and many of those who plan such careers do so reluctantly?" Similarly, Watkins (1973:67) remarked "one shade of meaning which the term 'entrepreneur' has in the U.K. is of a somewhat shady, almost criminal businessman ....." Extended family systems rather work as a great help for entrepreneurial activities (Timberg, 1969). Extended family systems as is reported in studies (Beardsley *et al.* 1959) has rather acted in boosting achievement oriented activities in Japan. De Vos (1973) wrote that family, not the individual is the traditional unit in Japan.

However, despite all these contradictory conclusions it is not the intention here to reject the conclusions on socio-cultural barriers totally. but these cannot be accepted to be the fundamental or dominating causes, they may be taken as at best supplementary.

Another possible cause which McClelland (1961) also has mentioned in his book, although not with much emphasis, is political conditions such as foreign domination that prevailed in many less developed countries. The question of political instability may also be added with this. Although this factor should not be generalised but among the less developed countries, some have remained comparatively least developed and it is worth observing the situations in those countries. Bangladesh can be cited here as an instance. Supposing that Bangladesh was affected economically, at least in the same way as her neighboring countries, by the foreign domination, then what happened to her, as is observed that, she could not make may reasonable progress in the economic field, at least proportionately as some of her neighbors did since independence from British rule. The causes can be traced from Papanek's (1969) study where the researcher concluded with examples that East Pakistanis (now Bangladesh) did not lack the psychological traits of risk-taking etc. for doing business but what they lacked was a fair treatment in the economic field (not to speak of others) from Pakistani rulers who were mostly non-Bengalees. Economic domination and political instabilities are nonetheless responsible for the miseries of many such developing countries.

In conclusion, it can be said that rather than judging the situations in the poor countries by the standards of some of the developed & mature economies, it is rather logical & rationale to assess in the context of their own level & strength of cultures about the factors that could really explain n Ach and entrepreneurship in those poor countries. Possibly, potential for Need for High Achievement and love for taking initiatives is not in dearth or there is any draught of these in the countries yet grouped as poor. We think lack of political commitments & absence of creation of healthy environment required for entrepreneurial growth are the limiting factors in the process of the adequate supply of reasonable number of entrepreneurs. Firm commitments of the power cliques, aggressive efforts in creating entrepreneurial environment besides provision for all essential common support services & assistance may speed up the supply of entrepreneurs in the poor countries.

2.7 The Emerging Essential Behavioral Patterns of the Entrepreneurs

Motivational studies & experiments over ages identified as under a number of behavioral patterns needed to be successful entrepreneurs in their endeavors:

1. Sets own standard & designs strategies to reach that;
2. Mostly learns without pressure & gets pleasure by acquiring entrepreneurial skills and knowledge
3. Likes to voluntarily experiment to innovate without dictation
4. Keenly observe the feedback from connected persons & the tools used for production
5. Finds useful information & opportunities in failures
6. Starts a new with greater zeal & enthusiasm after failures, if any.
7. Never becomes fully satisfied & goes on doing better, better, and better.
8. Loves using time productively
9. Gets pure pleasure in forming creative new ideas & doing something creative and new
10. Works or does anything for pleasure not to satisfy any want/ need
11. Remains emotionally attached to the set tasks till the targeted result is reached
12. Never blames the tools & the helpers but only himself if there is any failure

2.8 Factors and Influence on Entrepreneurship

Some factors that influence entrepreneurship were identified through researches. These were grouped as Positive and Negative factors:

Positive Factors	Negative Factors
1. Familial business demonstration	1. Familial job heritage
2. Training for entrepreneurial skill development	2. Absence of formal or informal training for entrepreneurial skill development

Positive Factors	Negative Factors
3. Technical knowledge	3. Absence of technical knowledge
4. Lucky in getting good advisers	4. Not lucky in coming in touch with any resourceful consultants & advisors
5. Lucky in obtaining sympathetic suppliers	5. Suppliers are very strict & unsymphetic
6. Abundant supply of local well wishers	6. Local people are hostile
7. Blessed with all types of institutional facilities & supports	7. Inaccessibility to institutional facilities & supports
8. Availability of seed as well as working capital	8. Faces difficulty in procuring seed as well as working capital
9. Favorable market contacts	9. Difficulty in making market contacts
10. Intimacy with some existing entrepreneurs	10. Unknown & unfamiliar with any successful entrepreneurs

2.9 Factors behind Entrepreneurial Growth

In a study conducted in India [1986], Rao and his Team identified three sets of factors behind entrepreneurial growth as under:

Sl. No.	Ambition related Factors	Compelling Factors	Facilitating Factors
1.	To make money	Unemployment	Success stories
2.	To continue family heritage	Dissatisfaction in existing job/occupation	Previous experience in the line of activity
3.	To gain social prestige	Family pressure	Influence or encouragement of the powerful quarters
4.	Other ambitions i.e pleasure of doing something creative, creating employment for others etc	Revival abandoned /sick units owned by the parental or wife's family	Association as apprentices/ sleeping partners
5.	To make self- employment	Make use of idle funds	Previous employment in the line of activity
6.	To fulfill self or others' desire	Make use of available – technical or professional	Inherited business

2.10 Assistance and Entrepreneurial Development Cycle[1]

Incentives Required

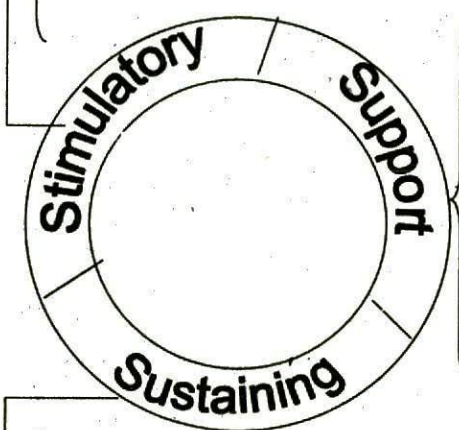
Different incentive schemes applicable to the industrial sector in many countries of the world. These schemes are offered by various state authorities, national, provincial or even local bodies. The list of incentives offered by such governmental and private bodies are :

(i) Capital investment subsidy
(ii) Interest subsidy
(iii) Subsidy/Assistance for technical Consultancy
(iv) Exemption from stamp duty

[1] Akhouri, M.M.P. "Balancing the imbalances caused by the known factors of Entrepreneurial Development", paper presented in the workshop on Technology and Entrepreneur, Kualalampur 25-30 May, 1977. Quoted in Rahman A.H.M.H. et. al, "Entreprreneureship and Small Enterprise Development in Banagladesh", Bureau of Business Research, D.U., 1979, pp. 56-58.

(v) Concessional water
(vi) Provision for seed capital
(vii) Subsidy for power generation
(viii) Exemption from property tax
(ix) Subsidies to artisans and traditional industries including handlooms
(x) Transport subsidy
(xi) Export/Import subsidies and bounties
(xii) Interest free loans
(xiii) Subsidy for R & D works
(xiv) Land and building at concessional rates
(xv) Price preference to SSI units

1. Entrepreneurial Education.
2. Planned publicity for entrepreneurial opportunities.
3. Identification of potential entrepreneurs through scientific methods.
4. Motivational training to new entrepreneurs.
5. Help and guidance in selecting products and preparing project reports.
6. Making available techno-economic information and product profits.
7. Evolving locally suitable new products and processes.
8. Availability of local agencies with trained personnel for entrepreneurial counseling and promotions.
9. Organising entrepreneurial forum.



1. Registration of unit
1. Arranging finance
2. Providing land, shed, power, water etc
3. Guidance for selecting and obtaining machinery
4. Supply of scarce raw materials
5. Getting licenses/import licenses
6. Providing common facilities
7. Granting tax relief or other subsidy
8. Offering management consultancy
9. Help marketing product

1. Help modernization
2. Help diversification/ expansion/substitute production
3. Deffering repayment/interest
4. Deffering repayment/interest
5. Diagnostic industrial extension/consultancy source
6. Production units' legislation/policy change
7. Product reservation/Creating new avenues for marketing
8. Quality testing and improving services
9. Need-based common facilities centre

Figure-2.D: Showing Entrepreneurial Assistance Cycle.

A. Stimulatory;
B. Support; and
C. Sustaining Activities

A. The Stimulatory activities comprising entrepreneurial education, problem of entrepreneurial opportunities, guidance in selecting industries are needed to help emergence of entrepreneurship in the society. This support enables a good supply of entrepreneurs to start a new venture and develop potentiality to succeed in venture.

B. The Support activities refer to those which enable the entrepreneurs in setting up and running the enterprises successfully. They help in mobilising resources and assistance.

C. The Sustaining activities include efforts which help the entrepreneurs sustain themselves against the challenges of actual operation. Many enterprises starting well, meet, immature death subsequently because of some problems. Such cases are many and they are particularly more significant in the cases of small enterprises.

2.11 Organizational Sources of Assistance

The traditional sources of advice and assistance for any firm come from professional relationships-the accountant, the bank, the lawyer, the customer or the supplier. However, each of these sources are likely to view the firm from a particular, technical bias; until recently, few professional advisers were able to give general commercial advice. Moreover, the type of advice, assistance and information which a new firm requires can be both time-consuming and cover a wide spectrum. Therefore, in recent years in both United Kingdom and the United States, there has evolved a range of advice, assistance and education focused particularly on new firms and financed, at least in part, by the government. A diagrammatic representation of the sources of help available to the entrepreneur is seen in Figure.

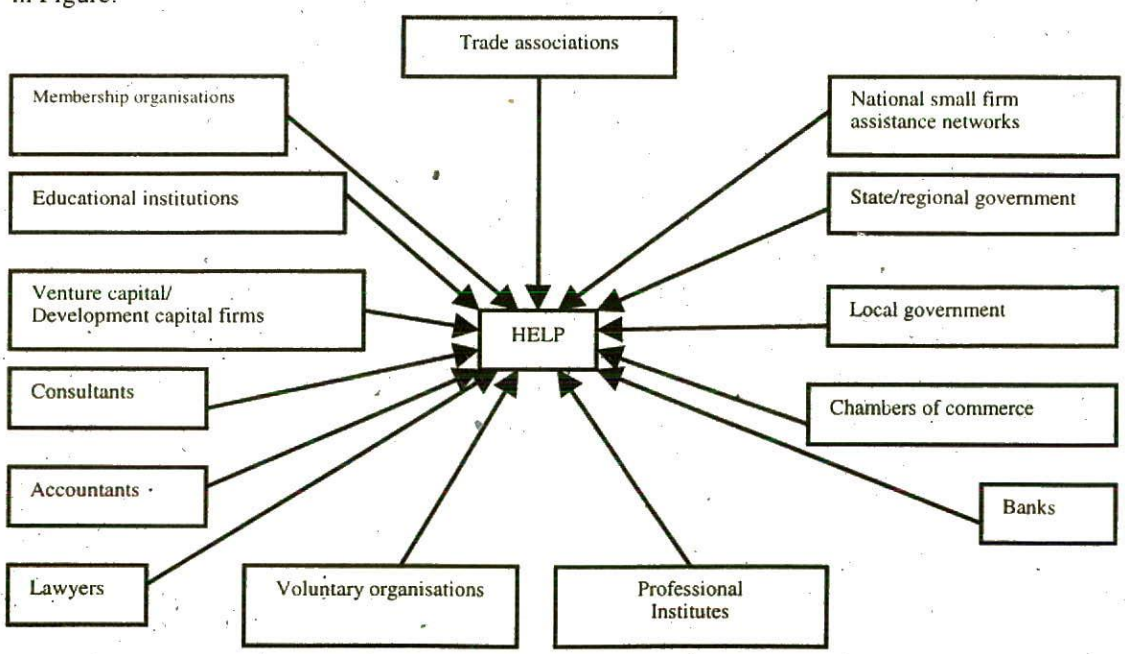


Figure-2.E: Showing Formal Sources of Help for the Entrepreneur

2.12 Organized Sources of Assistance in Bangladesh

Bangladesh do not possess much of inherited entrepreneurial tradition. Erstwhile Pakistan from which Bangladesh came from did nothing mentionable towards promoting entrepreneurial initiatives .All their efforts were mainly directed for the then West Pakistan with some very insignificant ones made in name only for the then East Pakistan, now Bangladesh. Three decades after the emergence of Bangladesh, now a days there are a number of organizations, governmental & private devoted directly or indirectly to assist the entrepreneurial initiatives. These are:

Governmental Agencies	Non- Governmental Private Agencies
1. Board of Investment	1. Grameen Bank
2. Bangladesh Shilpa Bank	2. MIDAS
3. Bangladesh Shilpa Rin Sangstha	3. BRAC
4. Investment Corporation of Bangladesh	4. Private Commercial Banks
5. Nationalized Commercial Banks	5. Private Insurance Companies
6. Bank of Small and Cottage Industries	6. Federation of Chambers of Commerce & Industries
7. Bangladesh Krishi Bank	7. National Association of Small & Cottage Industries of Bangladesh
8. Bangladesh Small Industries Corporation	8. Leasing Companies
9. Controller of Imports & Exports	9. Proshikha
10. Export Promotion Bureau	
11. Trading Corporation of Bangladesh	
12. BCSIR	
13. Bangladesh Industrial Tecnnical Assistance Centre	
14. Bangladesh Standards & Testing Institute	
15. Support Supply Agencies for water, gas, electricity,	
16. Bangladesh Institute of Management	
17. Small & Cottage Industry Training Institute	
18. Bangladesh Shadharan Bima Corporation	

The organizations stated above usually in purview of their organizational objectives and availability of the resources both financial and expertise come forward with assistance of various kinds in order to promote self- employment and small business in Bangladesh. Credit assistance are provided by the organizations like banks & leasing companies. Industrial Estates have been developed through BSCIC in order to provide factory facilities and common services at concessional rates Accelerated rates of depreciation are allowed to plough back and increase capital base of the small units within a short period of time. Small units are also facilitated to set-off or carry- forward their losses resulted in a year High rate of investment allowance, tax rebates, duty & customs returns are used to encourage promotion of small units. Customs debentures are also often used in order to allow deferred payments with a view to ploughing back surpluses for further productive investment. In order to encourage exports by small business units, cash foreign currency benefits are given on the earnings from exports to those units who are engaged in some exports.

These units are also helped to capitalize the gains earned through sale of capital assets. Purchase of shares from the stock market & use of profit & capital gains in such way is allowed as new investments, hence allowed tax benefits. Equity finances are also facilitated from the ICB or through consortium of commercial banks. Risks are taken care of by the organizations devoted in insurance business. Some governmental agencies provide licenses, registrations, fiscal incentives, advises, common support & facility services. BCSIR extends new methods & products for commercial production while Standards & Testing Institute takes care in raising and maintaining required quality to win the markets at home and abroad. Training for developing entrepreneurial aptitude & skill besides for functional efficiency - production, finance, marketing, personnel etc are obtainable from both governmental agencies developed for the purpose and the private agencies including some NGOs. Business Forums often identify hindrances in the way of small business development and present those to the appropriate authorities for early solution. Export of small units are directly helped in various ways by the Export Promotion Bureau including arranging Exhibitions at home & abroad.

The organized assistance are not considered adequate. More resourceful organizations are required to be developed in order to come up with a package of assistance at one-single point if the public leaders in power really desire to do something meaningful for promotion & development of small business for creating larger number of self- employment.

2.13 Special Assistance to Small Business

In addition to public policy applying to business generally, some steps have been taken to provide special assistance to small business. Other aspects of special assistance provided by the government are discussed below.

[a] Managerial and Technical Assistance

The provision of management and technical assistance to managers of small firms takes a variety of forms. A series of pamphlet, for example, is published by the Small business Administration under each of the following titles: (1) *Management Aids for Small manufacturers,* (2) *Technical Aids for Small Manufacturers*, and (3) *Small Marketers Aids*. In addition, separate publications treat miscellaneous subjects pertinent to small business management.

[b] Assistance in Obtaining Government Contracts

Many small firms serve as subcontractors. The Ministries, Directorates, Corporations in many countries provide active encouragement to prime contractors to engage in subcontracting to small firms. As subcontractors, small firms have the problem of learning who the prime contractors are and what component parts are available for subcontracting.

Set-Aside Programs. Under the "set-aside program," government contracting officers and Small Business promotional Agencies and their representatives review purchase orders to select those that may be set-aside for exclusive competitive bidding by small firms.

Break-Out Contract Programs. In a related program called the "break-out contract program," the procuring agency breaks out suitable portions of a larger contract for competitive bedding by small firms. For example, the contract for janitorial services might be broken out of a general contract for housekeeping on a missile installation.

[c] Assistance in Export Sales

To some extent the export sales problem of small firms is one of information. The Ministry of Commerce in many countries has attempted to meet this need by supplying small exporters with an array of technical and general information. The Commerce Ministry also operates major trade fairs aimed at increasing exports and brings foreign customers to visit small business can plants.

[d] The Need to Improve Government Assistance

The governmental programs of small business assistance have benefited thousands of small firms. At the same time, caution is appropriate in evaluating such programs and making sure that they provide as much as they promise. Existing government programs are obviously no panacea for the various problems of small firms.

2.14 Summing Up

i. Majority of the studies conducted on entrepreneurship reported a positive relationship of McClelland's nAch motivational theory to entrepreneurial development.

ii. McClelland identified two characteristics of entrepreneurship, namely doing things in a new and in a better way and to make decision under moderate uncertainty. He, therefore, suggests that achievement motive can be considerably increased by planned training and deliberate concerted efforts.

iii. According to Schumpeter entrepreneurs generally perform such things as are not normally possible by others. He refers that entrepreneurs innovate the ideas & the modes of translating those into reality. He perceives that people who get pleasure in solving problems that others cannot easily solve are with entrepreneurial traits.

iv. Hagen sees the entrepreneur as a creative problem solver interested in things in the practical and technological realm and driven by a duty to achieve.

v. McGregor's theory Y, Maslow's higher-level needs and Herzberg's motivational factors make a manager so to say an owner manager choose either higher-level needs, motivational factors, in order to motivate his employees, motivate them to innovate new products or methods. All the three emphasize the same set of relationships in creating better work incentives or for taking calculated risk & initiatives to create or to run an enterprise. Thus all the three theories seem to have indirect influence on development of entrepreneurial initiatives while these directly promote intrapreneurial initiatives.

vi. Factors behind entrepreneurial growth are of three types: ambition related factors, compelling factors and facilitating factors

vii. MMP Akhuri identified three sets of assistance required for developing entrepreneurship in a country: stimulatory, supportive and sustaining

viii. Organisational sources of assistance include among others accountant, the bank, the lawyer, the customer or the supplier.In recent years there has evolved a range of advice, assistance and education focused particularly on new firms and financed, at least in part, by the government.

ix. Over the ages some positive factors are identified which include business tradition in the family, training, technical knowledge, entreprenerial association, good luck etc. Negative factors that hindered entrepreneurial growth, among others, are job tradition, no training, unaware about the required knowledgs,difficulty in entering into the markets, inability to secure entrepreneurial patrons, ill luck, etc.

x. The emerging essential behavioral patterns of the entrepreneurs include inter alia setting own standard & designing own strategies to reach that, gets pleasure by acquiring entrepreneurial skills and knowledge, loves using time productively, likes to innovate without dictation, does anything for pleasure, observe the feedback, starts anew with greater zeal & enthusiasm after every failures, never becomes fully satisfied & goes on doing better, better, and better.

Model Questions

Broad Questions

1. Define need for achievement. Discuss the characteristics of high need for achievement.
2. "Achievement motivation related with high and low motivational characteristics of people." – Explain & justify.
3. What do you mean by entrepreneurial assistance? How many types of assistance are seen in entrepreneurial development cycle? – Explain each of them.
4. What is the meaning of entrepreneurship? Explain the Schumpeters's view on entrepreneurship. How does Shcumpeters' view differ from the McClelland's ?
5. Delineate the theory of social change given by Everett Hagen's. Has it any relevance to the other theories with reference to motivation? Explain.
6. Compare the motivational theories between Maslow, Mcgregor and Herzberg. How to distinguish between theories of motivation with reference to work and entrepreneurial initiatives?
7. Briefly discuss the entrepreneurship development trends in the third world countries with particular reference to Bangladesh.

Short Questions

1. What is the impact, if any, of Maslows theory on the entrepreneurship development?
2. Describe the characteristics of high need for achievement.
3. What do you understand by forms of entrepreneurial innovations?
4. Explain the term "Withdrawal of social status."
5. How can you purpose an entrepreneurial motivation model?
6. What are essential behavior patterns of the entrepreneurs?
7. Discuss the positive & negative factors on the development of entrepreneurship.
8. What factors are there behind the entrepreneurial growth?
9. What is meant by the entrepreneurial development cycle?
10. Describe the organizational sources of assistance.

If you believe in fate, believe in it,
at least, for your good.
-Ralph Waldo Emerson

Appendix-2 A

The Entrepreneur's Quiz[1]

Joseph R Mancuso

The following questionnaire is the result of an investigation conducted by the author of the present paper among the sample number [300] practicing entrepreneurs. The author claims that in spite of some statistical back up, the findings of the study offer a valuable insight into the entrepreneur's philosophy. The learned author has suggested that any individual can try the questionnaire for himself and may score it even in the privacy of his home or office. It may provide useful information to know his position as an entrepreneur. The fifteen questions that Mancuso offered to the respondent entrepreneurs are:

1. An entrepreneur is most commonly the _____ child in the family.
   a. oldest
   b. middle
   c. youngest
   d. doesn't matter
2. An entrepreneur is most commonly:
   a. married
   b. single
   c. widowed
   d. divorced
3. An entrepreneur is most typically a :
   a. man
   b. woman
   c. either
4. An individual begins his first entrepreneurial company at which age?
   a. teens
   b. twenties
   c. thirties
   d. forties
   e. fifties
5. An individual's entrepreneurial tendency first appears evident at which of these stages?
   a. teens
   b. twenties
   c. thirties
   d. forties
   e. fifties
6. An entrepreneur's has typically made the following educational progress:
   a. grammar school
   b. high school diploma
   c. bachelor's degree
   d. master's degree
   e. doctor's degree
7. An entrepreneur's primary motivation for starting his own business is:
   a. to make money
   b. because they cannot work for anyone else
   c. to be famous
   d. as an outlet for unused energy.
8. The primary motivation for the entrepreneur's high ego and need for achievement is based on his relationship with:
   a. his wife
   b. his mother
   c. his father
   d. his children
9. An entrepreneur takes which of these from business to business:
   a. desk
   b. chair
   c. all office
   d. none of these items.

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[1] Mancuso J R , "The entrepreneur's Quiz", a research paper presented in the volume: Baumback C M & Mancuso J R, "Entrepreneurship and Venture Management", D. B. Taraporevala Sons & Co. Pvt. Ltd. Mubbai, 1981, page no. 32-39.

A-50930

10. To be successful in an entrepreneurial venture you need an overabundance of :
    a. money c. hard work
    b. luck d. a good idea
11. Entrepreneurs and venture capitalists:
    a. get along well c. are cordial friends
    b. are best of friend d. are in secret conflict
12. A successful entrepreneur relies on which of these groups for critical management advice:
    a. internal management team c. financial sources
    b. external management professionals d. no one
13. Entrepreneurs are the best as:
    a. managers c. planners
    b. venture capitalists d. doers
14. Entrepreneurs are:
    a. high risk takers [big gamblers] c. small risk takers [take few chances]
    b. moderate risk takers [realistic gamblers d. doesn't matter
15. The first step in starting a business should be:
    a. find a product c. select a partner
    b. get some money d. consult a lawyer

- Each of the questions carry one mark for correct answer with negative no negative weight.

ANSWERS	
1. oldest	9. chair
2. married	10. luck
3. man	11. are in secret conflict
4. thirties	12. external management professionals
5. teens	13. doers
6. master's degree	14. moderate risk takers
7. can't work for any one else	15. consult a lawyer
8. father	

INTERPRETATION OF SCORING	
Score Range	**Interpretation**
11 or more	successful entrepreneur
10-11	entrepreneur
9-10	latent entrepreneur
8-9	potential entrepreneur
7-8	borderline entrepreneur
7 or less	hired hand

Notes on the right answers:

1. **Oldest son:** Over 60% of the entrepreneurs are first children. This finding is important when we know that more than 2/3rds of the total population are not first son. George Washington, Abraham Lincoln, Thomas Jefferson, W. Wilson, Franklin D Roosevelt were all first sons. Only son and a new addition after a long gap may also be considered as first children.
2. **Married:** Vast majority of successful entrepreneurs are married. Supportive wife provides love and stability to balance the insecurity and stress involved in entrepreneurship. But strained married life leading to divorce is worse than remaining a bachelor.
3. **Man:** Women are yet to enter into entrepreneurship in the same proportion as males. May be males are more hard working and can move any time to any place compared to females. But still the non-representativeness of the women entrepreneurs affects the validity of the result.
4. **Thirties:** May be in this age they can take manageable moderate risk with better information and linkage. But this finding is downward changed one from [38-42] to [30-35] compared with past studies.
5. **Teens:** Main traits in an individual blossom in teens. Hence, the finding is relevant and logical.
6. **Master's degree:** This may vary depending countries. Many school drop outs and undergraduates are seen as successful entrepreneurs even in the developed countries.
7. **Can't work for anyone else:** Entrepreneurs are initiators and decision makers, they can not feel comfortable to be conformists. They do not get pleasure in implementing those decisions in the taking of which they had no part. They love to remain independent & free spirit, do something as they like and hence can not work for someone else. Persons with entrepreneurial spirit love to become boss and to give orders – not take orders as subordinates.
8. **Father:** Father is regarded as the symbol of authority & leadership while mother as the queen of affection & compromise. Father is the central character providing both motivation and drive for taking any calculated risk which is the main essential required of a successful entrepreneur. It is interesting to note that father's approval and praise provide as an encouraging basis for drive & initiatives that are called for a successful entrepreneur.
9. **Chair:** In organizational context, chair is the symbol of authority or power. But entrepreneur may choose to sit in the same chair irrespective of places mainly for his comfort, convenience and familiarity. It is so, may be for easy & smooth thinking process in order to undistrubly generate ideas facilitating taking right decision at right time. He can not wait to take time to adjust both physically & psychologically with the new chair while he finds all other things waiting for his decisions. Alternatively, his thinking processes finds uninterrupted outlet & easy flow when he sits in his old but familiar chair.
10. **Luck:** In contrast to popular so called practical bias that money & hard work together can bring the mountain of fortune, the answer indicating luck seems to be surprising. It is true that good investment and hard work can do a lot but not all. Substantial amount of investment may often be ineffective as bad, hard work may not always be able to convert troublesome situation into favorable one and good ideas may end up in the garbage heaps if not all these are coupled with good luck.

Luck is a different matter. More the successful entrepreneurs were asked, all of them agreed without any drop of hesitation that were damned lucky. A few key breaks early, according to them, were what made the difference.

11. **Are in secret conflict:** The financiers usually prefer to believe they are the best friends of the entrepreneurs who were financed by them. Mancuso's research shows the truth of it as exceptions., not the rule. Every business taking finances, often requires second and third rounds of financing, may be making no or inadequate repayments of the earlier loans. At these stages, the entrepreneur- venture capitalists relationship shifts from cordiality to stress. Many times, this causes a permanent split or, in other words, a divorce. The marriage needs more money, and this issue divides them and puts them in conflict.
12. **External management professionals:** Entrepreneurs seldom rely on internal people for major policy decisions because they conclude earlier that employees have an ax to grind. Employees seldom offer serious conflicts on big decisions and, in the end, the entrepreneur is dominant in every decision. Outside financial sources are even less common sounding boards for entrepreneurs. Not only do banks and accountants lack a feeling for the real stresses of managing an enterprise – they are too conservative. This is why, they prefer outside professionals, including other entrepreneurs, consultants, researchers and the like.
13. **Doers :** Entrepreneurs enjoy the net result of any action, hence they perform more efficiently and quicker than many others. The therefore are reluctant in delegating the task. As such, entrepreneurs are best as doers- not as planners or managers.
    Entrepreneurs do best not by maximizing capital but by maximizing their own doing talent. Managing money and making financial bets is not as much to their liking as finding market niches or exploiting new technologies.
14. **Moderate risk takers:** Contrary to popular belief, entrepreneurs are not high risk takers. They choose moderate but reasonable risks. They set realistic and achievable goals. They do take risks, but they are more calculated risks. They are extremely aware of the consequences of failure. They are reluctant to bite off more than they can chew. It is especially true for successful entrepreneurs, but it is true of unsuccessful entrepreneurs as well.
15. **Consult a lawyer:** A lawyer can help in maintaining the legality of the business. This step will protect the entrepreneurs' interest in future and will save him from many types of harassment.
    Although is may be nice to have a product already, or some money or a partner, the first step should be to see a lawyer. He will set the business in motion. Once he has decided upon the appropriate legal set-up, you in fact have a business. Neither a product, money, nor a partner alone is sufficient to classify as a business. Once the lawyer has completed his work, you are in business. He should be the first visit.

A thing may look specious in theory,
and yet be ruinous in practice;
a thing may look evil in theory,
and yet be in practice excellent.
- Edmund Burke

Chapter : 3

Introducing Small Business

3.1 Types of Small Businesses
3.2 Structural Features of Small Business
3.3 Forms of the Small Business
3.4 Characteristics of Small Business
3.5 Stages of Small Business Development
3.6 Role of Small Business
3.7 Scientific Inventions by Small Business Entrepreneurs
3.8 Keys to Success & Factors Responsible for Failure
3.9 Advantages & Disadvantages of Small Business
3.10 Competitive Strengths of Small Firms
3.11 Legal Areas Requiring Attention
3.12 The Succession in Family Business Firms.
3.13 Causes of Small Business Failure
3.14 Ways to Get into Small Business[SB]
3.15 Selection of Line of Activity for Small Business
3.16 Summing Up

Small business is an integral part of the total business scene in any country. Though small in size such business activities cover almost any area of business viz. manufacturing, mining, wholesaling, retailing, service and the like. It is now well recognized that small businesses are the largest employers with lower investment per job. That apart, the growth & development of medium & large industries is mostly dependent on the small business. Small business occupies a vital place in the national economy. Entrepreneurs invest their own money, time, and ability in their business and contribute substantially to the community in terms of jobs and goodwill. Small business is necessarily small within its respective industry, but retail sales could approach several crores of taka annually. Small business has gained a major portion of our economy by contributing to personalized flexibility, creativity, specialization, communication, and performance. It also provides resources and serves as outlets for big business. Many people become entrepreneurs because they enjoy self-expression, personal growth, community relations, and an opportunity to make a strong financial contribution to themselves and their loved ones. They are usually highly motivated, hard-working individuals who receive satisfaction from taking risks. Lack of proper management attitudes, training, experience, and skills-reflected in symptoms such as inadequate financing, poor location, and weak planning –cause half of all businesses to fail by their third year.

Small business means the size of which is not big- the size again depends on the yardstick one uses to measure. What is small to one may be medium or even big to some others. However, small business has been defined by various authors in various ways. Some such definitions are :