

# A Study on Impact of Entrepreneurial Characteristics Between Service and Manufacturing Sector Entrepreneurs

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## Abstract

In the year 1991, the Government of India opened its doors to foreign goods and investment. Small-scale industry, particularly manufacturing that had basked in the safety of protection suddenly found itself exposed. Small-scale manufacturers who had run stand-alone businesses found it difficult to cope with increasing competition and their talents were put to test. During this period however, the service sector began to show promise. Industry sources attributed slowing down to technological obsolescence, financial and marketing constraints. Though there was recognition that managerial ability also needed upgradation, the struggle was to identify ways and means to encourage small-scale entrepreneurs to respond with briskness. The promise of the service sector revealed that the obvious limitations of business were only some of the causes for slowing down and that entrepreneurs who demonstrated the ability to structure resources, maintain flexible focus, develop temporal agility, show behavioural flexibility and influence others to commit resources could succeed. The present study captures the presence and intensity of 22 entrepreneurial characteristics across small-scale entrepreneurs in the manufacturing and the service sector to determine if there is a difference between the sectors. A sample of 300 entrepreneurs has been chosen from both sectors equally to gather data on the presence of characteristics. The study reveals that while perceptions are shared there are distinct differences in the presence and intensity of entrepreneurial characteristics across sectors, with the service sector showing higher intensity than manufacturing. This reveals the positive orientation of the service sector in the current scenario.

**Keywords:** Entrepreneurial characteristics and Entrepreneurial Response Pattern

## 1. Introduction

There has been a growing concern to develop the spirit of entrepreneurship among people. This has led to several studies, which have tried to understand the critical factors and conditions associated with entrepreneurial initiative and success. Though consensus has not been achieved in explaining all the factors contributing to entrepreneurial initiative yet, there has been some achievement in terms of understanding certain critical factors and providing a conceptual framework. A new breed of people are beginning to emerge, influenced as they are by social factors and background. Their basic education places them in a unique position to explore new avenues. Who are these people? – the finger points to the emerging small-scale entrepreneurs who are eager to create opportunities for themselves. Barbara and Bracker (1988) suggest that in assessing the performance of small-scale businesses one should identify the small-scale entrepreneurs 'entrepreneurial intensity,' level of task motivation and the degree to which the entrepreneur feels one has the ability to influence the critical elements of the operating environment. Naffziger (1994) however, felt that entrepreneurial intensity and motivation coupled with an understanding of the entrepreneur's goals for business ownership, focusing on performance, were required for the success of a venture. In an attempt to capture the spirit of entrepreneurial motivation Naffziger (1994), talked about personal characteristics which included energy level, conformity, need for autonomy, persistence and

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dominance, desire for personal control, desire to build something on one's own and one's attitude about self as the touch stones for motivation. Personal goals, perceived expectation- outcome relationship, sustained relationship besides business environment, idea and strategy also play a part in choice making according to Naffziger (1994).

“India is fortunate in that there is no dearth of talented people, and the importance of the service sector is gaining momentum. But what is lacking is the motivation, the thrust and the right perception as to the ‘service’ concept” (Anjaneya Swamy 1991). We need to have an entrepreneurial culture that acknowledges, promotes and sustains entrepreneurship (Nimit Chowdary and Monika Prakash 2004). While evidence suggests that the service sector is able to respond to market forces faster, one is unsure if this has been the case with the small-scale manufacturing sector. The study attempts to understand the presence and intensity of entrepreneurial characteristics among small-scale entrepreneurs. It also attempts to establish possible similarities and difference between sectorial entrepreneurs. In the capturing of the data, it is noticed that entrepreneurs tend to fall into two distinct categories namely manufacturing and service. Thus the study has focused its lens on understanding differences between entrepreneurial characteristics, their behaviour and demonstration by the two sectors.

## 2. Focus of The Study

In determining the course of the current study, it was decided to develop a framework to capture characteristics as demonstrated among existing small-scale entrepreneurs. In comparing the several studies a certain pattern emerged and combining the characteristics revealed an assortment of 22 characteristics, which included Achievement orientation, Assertiveness, Commitment to work, Competitive aggressiveness, Concern for high quality of work, Efficiency orientation, Energy and Mobility, Hope of success and fear of failure, Information seeking, Initiative, Innovativeness, Knowledgeability, Managerial ability, Persistence and hard work, Personal responsibility, Proactiveness, Problem solving, Risk taking, Sees and acts on opportunities, Self-confidence and self-reliance, Reception to feedback and Use of influence strategies.

## 3. The Objectives of The Study Are

To understand the impact of entrepreneurial characteristics among small-scale entrepreneurs in manufacturing and service sector

## 4. Operational Definition

For purpose of the study, the small-scale business is defined as an organisation:

- With investment upto Indian Rupees 10 million in plant and machinery and in select cases upto Indian Rupees 50 million.
- With business turnover of Indian Rupees 5 million to Indian Rupees 300 million.

## 5. Sample

The sample consists of an adult population of small-scale entrepreneurs. 300 entrepreneurs from Coimbatore district were interviewed to obtain data on characteristics. The sample consisted of 150 entrepreneurs from the manufacturing sector and 150 entrepreneurs from the service sector. The samples were drawn from two categories, namely, manufacturing and service. The types of industries covered under manufacturing were, pumps, motors, wet grinders, textiles and hosiery. In service the sample was drawn from hospitality, BPO, software, retail and job workers. A non-probability convenience sampling technique was adopted to draw the sample from the population.

## 6. Research Tools

An inventory of 132 statements was developed to understand the presence of 22 entrepreneurial characteristics. For purposes of development of the ‘Entrepreneurial Characteristic Inventory’ three studies have been referred to. The studies included The Entrepreneur’s Handbook and a Trainer’s manual on Entrepreneurship (1981); Competency at Work by Lyle Spencer (1993), and Entrepreneurial Orientation by Lumpkin (2000).

## 7. Scoring of Interview Schedules

For each entrepreneurial characteristic a set of six statements (three positively scored and three negatively scored) have been used. Through a ‘self-rating inventory’ respondents have been asked to make a choice. Positive coded statements range from 5 to 1 and negative from 1 to 5.

The 132 statements scored indicate the level to which the 22 characteristics impacted the respondents. The scores for each individual statement are classified as below:

- 18.0 to 19.5 points - Low level of intensity
- 19.6 to 21.0 points - Medium level of intensity
- 21.1 to 30.0 points - High level of intensity

The scores of 6 to 18 indicate no intensity. The above classification of scores is arrived at, on the logic that the maximum score an individual can obtain, if the respondent answered all 6 statements pertaining to each characteristic, is 30 and the minimum is 6. The responses of ‘strongly disagree,’ and ‘disagree,’ and ‘not sure,’ would indicate no intensity. Therefore the scores ranging between 6 and 18

**Table 1 Mean Scores of Entrepreneurial Characteristics**

S. No.	Variables	Manufacturing		Service	
		Mean Scores	Intensity Level	Mean Scores	Intensity Level
1.	Achievement Orientation	22.61	High	24.13	High
2.	Assertiveness	21.19	High	22.08	High
3.	Commitment to Work	22.10	High	22.30	High
4.	Competitive Aggressiveness	19.92	Medium	21.74	High
5.	Concern for High Quality of Work	23.21	High	24.50	High
6.	Efficiency Orientation	22.29	High	22.81	High
7.	Energy and Mobility	21.82	High	23.06	High
8.	Hope of Success and Fear of Failure	20.40	Medium	21.03	High
9.	Information Seeking	20.91	Medium	22.05	High
10.	Initiative	18.85	Low	18.36	Low
11.	Innovativeness	20.86	Medium	20.47	High
12.	Knowledgeability	22.97	High	24.43	High
13.	Managerial Ability	19.88	Medium	21.39	High
14.	Persistence and Hard work	21.12	High	22.25	High
15.	Personal Responsibility	19.13	Low	17.82	Low
16.	Proactiveness	17.72	Low	17.95	Low
17.	Problem Solving	21.16	High	22.72	High
18.	Risk Taking	18.09	Low	18.64	Low
19.	Sees and Acts on Opportunities	18.01	Low	19.46	Low
20.	Self Confidence and Self Reliance	20.93	Medium	22.21	High
21.	Reception of Feedback	20.51	Medium	20.25	Medium
22.	Use of Influence Strategies	19.35	Low	19.81	Medium

**Table 1a Comparison of Characteristics across 22 factors Between Manufacturing and Service Entrepreneurs.**

Level of Intensity	Manufacturing (No. of characteristics)	Service (No. of characteristics)
Low	6	5
Medium	7	2
High	9	15

would indicate no intensity and scores ranging from 18.0 to 19.5 would indicate, low level of intensity, 19.6 to 21.0 indicate medium level of intensity and 21.1 to 30.0 would indicate high level of intensity. If respondents agreed up to 40% of the statements they were categorised as having low intensity, 40% to 60% indicating medium level and over 60% as high.

## 8. Statistical Tools

Means Standard Deviation and Factors Analysis were used to analyze the data.

## 9. Entrepreneurial Characteristics and Relative Intensity

Drawing on mean scores and their intensity, it was noticed that some characteristics gained higher eminence among entrepreneurs in the small-scale manufacturing and service sector than others. This also directs one's thinking towards identifying those characteristics that constitute low intensity and the need therefore to enhance their presence in the entrepreneur's mind and way of functioning.

Table 1 establishes unequivocally that the service sector shows a higher degree of intensity towards the presence of several characteristics than the manufacturing sector. This indicates the high vibrancy in the service sector which has also been recounted in the review and in current running of service businesses.

Entrepreneurs in the service sector show high intensity of preference for 15 characteristics among the list of 22 characteristics captured in this study while entrepreneurs in the manufacturing show high intensity only in 9 characteristics. The common areas of high intensity are achievement orientation, assertiveness, commitment to work, concern for high quality of work, efficiency orientation, energy and mobility, knowledgeability, persistence and hard work and problem solving.

Service sector show high intensity in competitive aggressiveness, hope of success and failure, information seeking, innovativeness, managerial ability and self-confidence and self-reliance. These were low in manufacturing sector. What is of interest is that there is difference between the characteristics that command high intensity in both sectors, and those, which show high

intensity only among the service sector. High intensity in characteristics, only among entrepreneurs in the service sector suggests greater internal locus of control than entrepreneurs in the manufacturing sector. The response patterns suggest the low presence of several characteristics among small-scale entrepreneurs in the manufacturing and service sector. These include initiative, personal responsibility, proactiveness, risk taking and sees and acts on opportunities.

According to the research, Personal responsibility, is the ability to take charge and not attribute success or failure to an unknown entity such as luck or fate. Ecolas et al (1998) whose observations have been reviewed earlier says that personal responsibility by an entrepreneur demonstrates a willingness to shoulder the yoke. Therefore a poor presence of this characteristic implies the large reliance on destiny and the inability to act on one's own initiative. Initiative also is finding poor acceptance with the group of respondents. Thus the absence of initiative in a turbulent business environment refers to the inability to take action, to go beyond business requirements and demands of the situation. This low presence also bears on proactiveness. Proactiveness, the touchstone for nimbleness, is also low among the respondent population. Without this characteristic it is unlikely that entrepreneurs will show foresight and anticipation of future demand. Low presence of proactiveness also impacts risk taking. Risk taking being low in the sample indicates a certain aversion to venture far and the desire to keep within the comfort zone. Thus opportunities are not seized and acted upon. Not responding to business demands causes entrepreneurs to become reactive and not responsive. In addition to the low presence of the above mentioned characteristics manufacturing entrepreneurs also show low disposition towards using influencing strategies. This means that their ability to garner support suffers and they are constantly wafted by the vagaries of environmental determinants.

## 10. Entrepreneurial Response Pattern

The 22 characteristics were mapped to understand the slant of entrepreneurs in the small-scale manufacturing and service sector towards their belief in the need for a particular characteristic. In so doing, it is hoped that analysis will reveal those characteristics that command greater receptivity among entrepreneurs. In the interpretation of this table, it is evident that there is

**Table 2 Entrepreneurial Response Pattern**

<i>Variable</i>	<i>Type of Industry</i>	<i>Strongly Agree and Agree (%)</i>	<i>Neutral (%)</i>	<i>Strongly Disagree and Disagree</i>
Achievement Orientation	Manufacturing	68.55	12.11	19.33
	Service	80.45	7.67	11.89
	Total	74.50	9.89	15.61
Assertiveness	Manufacturing	59.44	17.11	23.44
	Service	68.33	10.78	20.89
	Total	63.89	13.94	22.16
Concern for High Quality of Work	Manufacturing	74.45	13.56	12.00
	Service	84.56	7.56	7.89
	Total	79.50	10.56	9.95
Competitive Aggressiveness	Manufacturing	48.78	23.89	27.33
	Service	65.33	11.11	23.56
	Total	57.05	17.50	25.45
Commitment to Work	Manufacturing	68.67	13.00	18.34
	Service	73.00	5.56	21.45
	Total	70.83	9.28	19.89
Hope of Success and Fear of Failure	Manufacturing	53.33	18.44	28.22
	Service	61.56	10.89	27.55
	Total	57.44	14.67	27.89
Energy and Mobility	Manufacturing	61.45	21.00	17.56
	Service	75.78	9.00	15.00
	Total	68.61	15.00	16.28
Efficiency Orientation	Manufacturing	69.00	12.56	18.45
	Service	77.11	5.89	17.00
	Total	73.06	9.22	17.73
Innovativeness	Manufacturing	56.45	19.33	24.22
	Service	58.55	11.89	29.56
	Total	57.50	15.61	26.89
Initiative	Manufacturing	48.78	13.44	37.78
	Service	47.33	9.67	43.00
	Total	48.06	11.56	40.38
Information Seeking	Manufacturing	59.11	16.67	24.22
	Service	68.33	8.44	23.22
	Total	63.72	12.56	23.72
Managerial Ability	Manufacturing	52.55	16.11	31.33
	Service	63.56	10.78	25.66
	Total	58.06	13.44	28.50
Knowledgeability	Manufacturing	73.22	13.11	13.67
	Service	83.78	6.78	9.44
	Total	78.50	9.94	11.56

Variable	Type of Industry	Strongly Agree and Agree (%)	Neutral (%)	Strongly Disagree and Disagree
Proactiveness	Manufacturing	36.11	21.11	42.78
	Service	39.78	16.11	44.12
	Total	37.94	18.61	43.45
Personal Responsibility	Manufacturing	48.89	16.56	34.56
	Service	46.33	7.00	46.67
	Total	47.61	11.78	40.61
Persistence and Hardwork	Manufacturing	59.34	15.33	25.34
	Service	66.45	10.67	22.89
	Total	62.89	13.00	24.12
See and Acts on Opportunities	Manufacturing	39.33	26.22	34.45
	Service	56.22	11.00	32.77
	Total	47.78	18.61	33.62
Risk Taking	Manufacturing	39.56	18.78	41.67
	Service	47.67	8.33	44.00
	Total	43.61	13.56	42.83
Problem Solving	Manufacturing	58.00	21.00	21.00
	Service	69.22	12.44	18.33
	Total	63.61	16.72	19.67
Reception of Feedback	Manufacturing	55.44	17.89	26.66
	Service	62.11	6.56	31.33
	Total	58.78	12.22	29.00
Self Confidence and Self Reliance	Manufacturing	58.22	16.11	25.67
	Service	69.11	7.33	23.55
	Total	63.67	11.72	24.62
Use of Influence Strategies	Manufacturing	48.45	19.00	32.55
	Service	55.89	9.44	34.67
	Total	52.17	14.22	33.61

difference in appreciation for some characteristics, by manufacturing and service sector entrepreneurs. 'Strongly agree' and 'agree' suggests the group's desire and possible preference for the characteristic's presence among them. Neutral, strongly disagree and disagree suggests ambivalence, lack of sureness and poor appreciation of the need for a characteristic. Thus, interpreting the Table 2 we realise, that less than 50% of manufacturing entrepreneurs show zeal for competitiveness, initiative, proactiveness, personal responsibility, sees and acts on opportunity and risk taking. Very low scores on proactiveness, sees and acts on opportunities and risk taking among this category of entrepreneurs tells us that manufacturing entrepreneurs do not regard these dimensions very highly.

In the case of service sector scores of less than 50% have appeared on initiative, proactiveness, personal responsibility and risk taking. The lowest score is in proactiveness strongly suggesting the poor response of the group in anticipating the future. Overall it seems that the manufacturing sector is definitely less impacted by entrepreneurial characteristics than in the service sector and as the earlier review has indicated the lack of buoyancy in manufacturing currently is due to increased international competition, rapid obsolescence of technology, inability to quickly adapt and low tolerance of ambiguity. It is also believed that small-scale manufacturers as 'stand alones' will find it increasingly difficult to survive if they do not become ancillaries or form clusters. Initiatives from organisation like CII (Confederation of Indian Industries)

**Table 3** Rotated Factor Matrix for Manufacturing Industry

Variables	Factor1	Factor2	Factor3	Factor4	Factor5	Factor 6	Factor 7
Influence Strategies	-5.636E-02	1.077E-02	6.851E-02	.790	5.744E-02	-.100	8.287E-02
Reception to Feedback	.743	-.183	9.034E-02	2.064E-02	-.308	-2.954E-02	2.253E-02
Self Confidence & Reliance	-.118	.777	5.209E-02	3.733E-02	.290	-7.177E-02	5.456E-02
See and Acts on Opportunities	3.663E-02	1.393E-02	4.511E-02	3.345E-02	1.905E-02	.867	8.816E-02
Risk Taking	-2.299E-02	4.727E-02	-.131	.218	6.570E-03	.110	.798
Problem Solving	.682	.297	-1.309E-02	2.547E-02	3.476E-02	.242	4.601E-03
Proactiveness	-.198	-.609	-3.864E-02	3.139E-02	.433	.322	-.113
Personal Responsibility	-.102	1.646E-02	.771	.202	1.721E-02	.149	-.268
Persistence and Hardwork	.685	6.598E-02	.389	-8.206E-02	.136	.126	.220
Managerial Ability	.149	7.705E-02	-.204	.125	.758	-3.669E-02	.228
Knowledgeability	.438	.630	-.132	.173	.381	2.629E-02	-4.005E-02
Innovativeness	.258	.361	.350	-.126	9.296E-02	.377	.139
Initiative	.611	-.325	.690	8.909E-02	-5.197E-02	-4.015E-02	-.110
Information Seeking	4.219E-02	.154	.106	.694	.291	.139	.271
Hope of Success and fear of failure	.792	4.916E-02	-.122	-7.426E-04	3.413E-02	-9.186E-02	-3.201E-02
Energy and Mobility	.319	.173	-.682	.381	.130	.356	-.260
Efficiency Orientation	3.606E-02	.703	-.197	.221	.150	.317	1.541E-02
Concern for High Quality of work	.481	.353	-.243	.614	8.184E-02	.121	-2.160E-02
Competitive Aggressiveness	.625	1.745E-02	-.465	1.505E-02	.285	.137	-2.535E-02
Commitment to Work	7.300E-03	.252	.201	.162	.705	8.590E-02	-.208
Assertiveness	.165	.479	9.099E-02	.392	-5.840E-02	.263	-.269
Achievement Orientation	.761	.137	-.171	8.787E-02	.155	3.198E-02	-8.693E-02
Eigen Value	5.235	2.892	1.871	1.501	1.231	1.161	1.096
Percentage of Variance	23.796	13.144	8.502	6.822	5.593	5.277	4.982

and large business houses to promote ancillaries are the only possible route for small-scale manufacturers to cope with changing fortunes. The other avenue available to small-scale manufacturers is the new concept of 'boutique' businesses, where economies of scale are not determined by mass production but by specialised and limited throughput, which command high value even at lower outputs, with costs being managed.

Entrepreneurship is a combination of a number of entrepreneurial characteristics. Thus, it is essential to identify the appropriate combination of entrepreneurial characteristics. This type of analysis will serve as an aid to understand the pattern that emerges in the entrepreneurial characteristics of small-scale entrepreneurs in the manufacturing and service sectors. In order to ensure

objectivity in the analysis, the data have been subjected to factor analysis. For factor analysis, the principal component method has been used. The analysis helps to group the entrepreneurial characteristics that have linkages, giving more to a factor structure. An attempt is also being made to name the factors too. By employing the principal component method of factor analysis, seven factors have been extracted for each group i.e. manufacturing and service. The factor matrix, given below, indicates high positive or negative loadings, the importance of each characteristic on the first factor, the second factor and so on. From the factor matrix, only those characteristics with high loadings have been considered. It may be argued that the factor analysis is done post the gathering of data the analysis. The comparative analysis between manufacturing and service has shown differences in characteristics. This

justifies the need for a factor analysis. As many of the statements have been developed from studies conducted outside India it is assumed that there may be a difference in the factorization of characteristics in typical small-scale enterprises in India and perhaps in Tamil Nadu too. What engages attention is the manner in which the factors have bunched themselves together and the renaming of the factors are in keeping with current trends of business orientation. Table 3 describes the loadings of factors for the manufacturing sector.

The total percentage of variance is 68.116.

Table 4 summarises and identifies the seven factors that have been drawn to describe the 22 characteristics that are grouped under them.

Resourcefulness indicates the ability to cope with difficult situations, the ability to deal with unusual problems. Being a source of aid and support that may be drawn upon when needed. The loadings of the characteristic that support this factor include Hope of success and Fear of failure, Reception to feedback, Achievement Orientation, Persistence and Hard work, Problem solving

and Competitive aggressiveness. All these characteristics recommend themselves to resourcefulness, as an entrepreneur necessarily needs to demonstrate the ability to garner and use all support systems for the achievement of the goal. Unless the individual demonstrates a continuous belief in one's ability to cope with setback and pursue doggedly achievement of the goal would be difficult. Thus resourcefulness has been identified as one factor.

Efficiency orientation indicates concern with doing something better (in comparison with previous personal performance, others' performance, or a standard of excellence. Self-confidence and self-reliance, Efficiency orientation, Proactiveness and Knowledgeability, form the group that is best classified under Efficiency orientation. The rationale for this classification is the need to be able to respond to the environment, be aware and reliant on the individual's confidence to demonstrate quickness of action and perform in timely and effective fashion.

Ownership indicates the ability to take charge and demonstrate physical, emotional and psychological maturity and mobility. Personal responsibility, Initiative,

**Table 4 Factor Analysis for Entrepreneurial Characteristics of Manufacturing Industry**

<i>Factor</i>	<i>Variables</i>	<i>Factor Loading</i>
Resourcefulness	Hope of Success and Fear of Failure	0.792
	Reception to Feedback	0.743
	Achievement Orientation	0.761
	Persistence and Hard Work	0.685
	Problem Solving	0.682
	Competitive Aggressiveness	0.625
Efficiency Orientation	Self Confidence and Self Reliance	0.777
	Efficiency Orientation	0.703
	Proactiveness	0.609
	Knowledgeability	0.630
Ownership	Personal Responsibility	0.771
	Initiative	0.690
	Energy and Mobility	0.682
Persuasiveness	Use of Influence Strategies	0.790
	Information Seeking	0.694
	Concern for High Quality of Work	0.614
Leadership	Managerial Ability	0.758
	Commitment to Work	0.705
See and Acts on Opportunities	See and Acts on Opportunities	0.867
Risk Taking	Risk Taking	0.798

**Table 5 Rotated Factor Matrix for Service Industry**

<i>Influence Strategies</i>	-.107	-.145	-.4918E-02	0.834	-.103	1.176E-02	-2.091e-02
Reception to Feedback	.710	-.192	.264	-3.452E-02	-4.903E-02	9.588E-02	-.259
Self Confidence & Reliance	3.413 E-03	-0.140	.229	.377	.384	.612	-5.338E-02
See and Acts on Opportunities	0.151	-.168	.160	-9.204E-02	.795	.128	2.259E-02
Risk Taking	.109	-.147	4.841E-02	0.162	-.606	.294	.173
Problem Solving	.493	.303	.692	-9.397E-02	-.133	-.161	-9.094E-02
Proactiveness	-9.576E-02	-.123	-.712	1.362E-02	-1.362E-02	-.265	.148
Personal Responsibility	.144	1.767E-02	.250	-.175	.103	-3.754E-02	-.765
Persistence and Hardwork	.781	-1.856E-02	-8.364E-02	-3.481E-02	.298	-2.734E-02	.118
Managerial Ability	9.145E-02	-8.027E-02	.171	.633	1.2664E-02	.318	.287
Knowledge-ability	.214	.504	.549	-4.221E-02	4.257E-02	7.338E-02	.393
Innovativeness	1.676E-02	-.232	.702	-1.231E-02	.382	-.276	3.569E-02
Initiative	.776	-8.856E-02	2.883E-03	-.147	-.155	-.187	-8.444E-02
Information Seeking	.202	.379	-.240	.671	-.154	-5.804E-02	0.105
Hope of Success and fear of failure	.734	6.332E-02	.284	-3.979E-02	-9.708E-02	9.312E-02	0.112
Energy and Mobility	.122	.720	-8.881E-02	-.118	-.391	-.108	-2.176E-02
Efficiency Orientation	-.408	.601	.344	3.307E-03	.167	.267	2.251E-02
Concern for High Quality of work	.124	.716	.150	-9.300E-03	-.177	1.451E-02	.303
Competitive Aggressiveness	.399	7.544E-02	.397	6.830E-02	2.369E-02	.274	.612
Commitment to Work	-3.053E-02	.152	-4.258E-02	2.291E-02	-.147	.840	.125
Assertiveness	-9.210E-02	.760	-1.221E-02	2.856E-02	.216	9.934E-02	-.290
Achievement Orientation	.688	.382	1.003E-03	4.123E-02	.206	.116	.143
Eigen Value	4.296	3.120	2.462	2.208	1.202	1.113	1.080
Percentage of Variance	19.528	14.180	11.190	10.036	5.464	5.061	4.908

The total percentage of variance is 70.367

Energy and Mobility suggest the nomenclature of ownership as a factor simply because excessive reliance on external variables will limit the ability of the individual to excel and achieve desired goals. Ownership establishes the fact that the individual is in control of one's destiny and also hints at the possibility of the individual being intrinsically motivated.

Persuasiveness indicates the power to induce the taking of a course of action or the embracing of a point of view by means of asserting one's own competence and relying one's own capability. Use of Influence strategies, information seeking and concern for high quality of work reveal dedication of the individual and also without doubt establish the fact that the individual needs to use all skills to be able to negotiate a 'winning outcome.' Persuasiveness thus becomes a factor, as it requires the individual to seek

and be awareful of information, concern oneself with consistent and high quality performance and above all be able to influence the environment.

Leadership indicates knowledge of oneself, having a vision that is well communicated, building trust among colleagues, and taking effective action to realize one's own leadership potential, the process of influencing the behavior of other people toward group goals in a way that fully respects their freedom. Managerial ability and Commitment to work represent this factor. While isolated leadership is a misnomer the manager as a leader is today's reality. Unless an entrepreneur is also able to demonstrate managerial competence the individual cannot be expected to lead from a position of strength. This also means that the individual must demonstrate commitment to work and thus revealing the adage, 'walking the talk.'

Sees and acts on opportunities indicates the ability to see opportunities where they do not exist and seeing them while others don't, try new and different things and like challenges and new opportunities. The suggestion of a single characteristic under this factor is a strong case being made to advise entrepreneurs that they need to be able to grab every possible opportunity that comes their way. This also means that they have to be mobile, nimble and lithe.

Risk taking indicates preference for a situation where there is challenge and some real risk of not succeeding but where that risk is such that it can be overcome by one's efforts. The individual perceives desired goal clearly and defines it in definite terms by assessing various alternatives available, calculating the cost of each alternative and assessing the probability of achieving the desired outcome. The seven factors that constitute entrepreneurial disposition in the manufacturing sector, without doubt, indicates that manufacturing entrepreneurs will have to tap into their leadership, grab opportunities, be less risk averse, show ownership, respond efficiently, use all resources at their command and above all be persuasive in influencing the

environment. Table 5 describes the loadings of factors for the service sector.

Table 6 summarises and identifies the seven factors that have been drawn to describe the 22 characteristics that are grouped under them.

Positive orientation indicates a realistic sense of optimism, as well as the belief that problems in life are common and can be solved given adequate time and effort. The individual views problems as challenges or as providing an opportunity to benefit in some meaningful way. Tends to have strong self-efficacy beliefs and is more likely to use adaptive problem-solving skills. Persistence and hard work, Initiative, Hope of success and fear of failure, Reception to feedback and Achievement orientation all show high loadings that support this factor. The naming of the factor has been encouraged by the belief that entrepreneurs in the service sector seem to demonstrate a fairly positive outlook and are inclined to be optimistic seeing success in every effort. Confident indicates belief in one's ability. Self-confident, seldom wavering, ability to sustain one's own optimism and creating a level of

**Table 6** Factor Analysis for Entrepreneurial Characteristics of Service Industry

<i>Factor</i>	<i>Variables</i>	<i>Factor Loading</i>
Positive Orientation	Persistence and Hard Work	0.781
	Initiative	0.776
	Hope of Success and Fear of Failure	0.734
	Reception to Feedback	0.710
	Achievement Orientation	0.688
Confident	Assertiveness	0.760
	Energy and Mobility	0.720
	Concern for High Quality of Work	0.716
	Efficiency Orientation	0.601
Problem Solving	Proactiveness	0.712
	Innovativeness	0.702
	Problem Solving	0.692
Influencing	Use of Influence Strategies	0.834
	Information Seeking	0.671
	Managerial Ability	0.633
Opportunistic	Sees and acts on Opportunities	0.795
	Risk Taking	0.606
Autonomy	Commitment to Work	0.840
	Self-confidence and Self-Reliance	0.612
Awakefulness	Personal Responsibility	0.765
	Competitive Aggressiveness	0.612

self-confidence necessary for efficient group effort. Assertiveness, Energy and mobility, Concern for high quality of work and Efficiency orientation constitute this factor, which reveals the entrepreneur's willingness to demonstrate confidence in pursuit of the goal. Problem solving indicates not being intimidated by difficult situations. Self-confident and having general optimism which seem to translate into the view that the impossible just takes a little longer. Persistent, realistic in recognising what one cannot do and where one can get help in solving difficult but unavoidable tasks. Proactiveness, Innovativeness and Problem solving bundle together in helping the individual work through difficult situations and arrive at a meaningful outcome.

Influencing indicates desire to control or influence an ongoing process or situation, is able to assert one's competence, viewing information and strategise to persuade others. Use of influence strategies, Information seeking and Managerial ability represent this factor which is all about demonstrating managerial competence and using information in a manner that helps the individual to achieve what is desired. Opportunistic indicates focus on opportunity rather than on resources, structure or strategy. Concentrate on possibilities and let the understanding of it guide other important issues. Risk taking is also part of being opportunistic as it involves the willingness to experiment. Autonomy indicates self-control, self-guidance, location of power source within, and the condition of subordinating all changes to one's discretion and understanding. A self-asserting capacity of maintaining one's identity. Commitment to work, Self-confidence and self-reliance all help the individual demonstrate self-autonomy in choosing and acting out what one desires. Awakefulness indicates the state of being awake, watchful; alert, a mind aware of self-knowledge and self-ignorance. Being personally responsible and competitively aggressive help the individual to be in a state of mindfulness and thus determine course of business. Entrepreneurs in service sector have as the study has revealed, demonstrated positive orientation, confidence,

problem solving ability and influencing ability. They are opportunistic, autonomous and alert. One point of significance is the absence of 'Innovativeness' in all the factors captured for the manufacturing community, suggesting a need to look at this characteristic closely.

## 11. CONCLUSION

The study conclusively shows that the low presence of important characteristics has resulted in small-scale businesses, particularly manufacturing not being able to take on the global market. While service has been responsive in some ways, mainly because of a large absorbing population, the question is 'Can Indian small businesses compete globally?'

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