

# A critical study on selection of factors of Entrepreneurial Characteristics as Determinant of Business Performance of Micro and Small Entrepreneur in the district of Darjeeling

Indrajit Chatterjee,

Research Scholar, Assam Don Bosco University, Guwahati, India.

**Abstract:** We found entrepreneurial characteristics are one of the major factors, which determines the performance of the business. This study is based on micro and small entrepreneur in the district of Darjeeling. The area of interest is the study is the selection of characteristic of an entrepreneur. At the beginning of the research four major categories are selected with fifteen questions in each category. In the next round twenty questions have been selected from sixty. This study shows how we have reached these selection criteria from sixty to twenty numbers in the light of respondents.

**Keywords:** Entrepreneur, characteristics, sample, factor analysis, small & medium scale, behavioral, economic, personal, human factors,

## I. INTRODUCTION

The creation of wealth is one of the fundamental tenets of economic development. Firms or business entity, either run by the Government or private ownership is one of the major drivers of wealth creation. In the study of entrepreneurship and economic development it has been found individual as a rational decision maker who assumed the risk and provided management of the firm. Micro & Small enterprises (SMEs) which account for over 60 % of enterprises in India under the Ministry of SMEs, Government of India, are an important source of output and employment.

This research emphasizes the characteristics of an entrepreneur either successful or failure under this framework. Our research is restricted to micro and small entrepreneur. The study is based on various characterizes derived from different study under four heads. They are behavioral characteristics, human capital, social approaches and economic factors. This study is an attempt to empirically test the impact of entrepreneurial characteristics on business performance of micro and small scale enterprises in the district of Darjeeling.

## II. LITERATURE SURVEY

The definition of an entrepreneur has been derived from various research study national and international level, which reflects the characteristics of an entrepreneur. Our research interest lies under the framework of micro & small enterprises. The lack of a single definition is partly due to the differentiated traditions within the field of entrepreneurship research, including anthropology, social science, economics and management. In the study of entrepreneurship and economic development (Kibly, 1971) <sup>(1)</sup> described the individual as a rational decision maker who assumed the risk and provided management of the firm. According to the study of promise of entrepreneurship

(Venkataraman & Shane, 2000) <sup>(2)</sup> the entrepreneurial function implies the discovery, assessment and exploitation of opportunities

Further, Li (2009) <sup>(3)</sup> argues that personal factors influence business success in small and medium enterprises consists of personality traits and competencies of the individuals in the process of entrepreneurship. However, there are a number of commonalities emerge from various characteristics. In the study of entrepreneurial characteristics and competency (Sarwoko, Surachman, Armanu, & Hadiwidjojo, 2013) <sup>(4)</sup> it has been found the factors that effect the business performance of small and medium enterprises can be classified into two groups which focus on aspects of the personal and other focus on aspect of the organization.

## III. METHOD OF STUDY

The study will be empirical in nature, focusing on the characteristics of micro and small entrepreneur in urban and rural set up within the district of Darjeeling. Micro or small scale industry Darjeeling comes under Food Products, Beverages, Tobacco products, Wool, cinchona, Jute, Hemp & Mesta textiles, Wood Products, Paper products & Printing, Leather products, Chemical products, nonmetallic mineral products, Electrical Machinery and Apparatus, Servicing and Repairing activities. The research is conducted to through questionnaire method. The target audiences are District Industrial Center, various local chambers of commerce members. We have interviewed approx 150 respondents. After verification of the data, 110 nos is used for analysis. The data are collected under four major areas, Behavioral Character, Human Capital, Social Issue and Economic Factors.

#### IV. METHODOLOGY

We have decided after various study convenience sampling is suited for our research purpose. In this sampling method, a researcher choose items that are readily available, nearby, and/or willing to participate. The sample tends to be less variable than the population because in many environments the extreme elements of the population are not readily available.

The method of data collection is one of the major aspect of this research. The focus group is micro and small entrepreneur under Darjeeling district. This district consists of four subdivisions including Siliguri. Our sample will be selected from an organization registered with the District Industries Center (DIC) at Siliguri and Darjeeling. DICs are the nodal offices towards development of Industries.

DIC shall issue acknowledgement in the form of E.M. getting duly filled in Entrepreneurship Memorandum complete in all respects with necessary signature and undertaking. Filing of memorandum has been categorized in two ways as follows:

Part-I: EM I, applicable for setting up of (proposed) micro and small enterprises

Part-II: EM II, after commencement of production/services to be rendered of those enterprises.

Our research interest lies with registered entrepreneur who have filed EM I and EM II in the district of Darjeeling.

In the third stage we will use a questionnaire method to collect those data based on objective of the research under study. The question consists of four areas (a) behavioral (b) Human Capital (c) Social (d) economic factors. Each questionnaire consists five numbers of three types of questions. (a) Direct (b) filling gaps (c) Y/N types including 5 general questions. Each Set consists of 15 questions with 4 sets of questionnaire. Data will be collected from this questionnaire for multivariate analysis with the help of statistical package.

#### V. DISCUSSION OF RESULTS

Phase I Planned : We will select data, who has filled up EM I or EM II forms. Each year, nearly 200 EM I and 150 EM II forms are submitted at DIC each year. We will collect 15 samples from each year for three years for EM I and 20 samples/year from EM II.

Phase II : Data are collected from chamber of commerce, local micro and small business. We have planned collected 85 numbers.

In the beginning there was no plan for collection of data other than DIC data. It was sufficient for analysis. We face a major problem in the collection of EM I data in the first phase, which compel us change the questionnaire and also the selection process. Few major issues are listed below.

- i. They do not run any business.
- ii. They need money for other purpose not for business.
- iii. Many of the phone number either does not exist or change the ownership.
- iv. They hardly have any idea about the question asked. Local language does not help.
- v. Most of them run the business without having no option to do.
- vi. Many are ready to join any other job if available.
- vii. Most of them have no idea how to fill up EM I data.
- viii. They need loan under any circumstances, so EM I may help loan.
- ix. Those who have filled EM II do not lead loan or subsidy.
- x. EM II people are resultant to share their information.

In the first phase data collection gets a major halt due the above reason and secondly it took average 25 to 30 minutes to fill up the data. The data become an appropriate for analysis. We decided to new sample for research. After a pilot survey, we have decided to cover the local chamber of commerce, micro business in the subdivision area. Finally, we found analysis also become critical to the objective of the research. So we have decided to rework the questioner with the feedback from the respondent. A new set of 20 questions framed for analysis.

#### VI. CONCLUSION

In empirical research, the questionnaire is one of the major aspect. Second part is the selection of the sample. In this research both areas were taken into consideration with serious effort. But finally we found the sample was wrong. It took one and half year to realise the error. As we found in the data, the person received loans for running a motor garage, but later he got a job and used the loan for sister's marriage. He repaid the loan to the bank as per schedule, as his job helps him to repay the same. But in effect it has no impact to the entrepreneurial impact on the economy.

In another example data was filled up for his friend business. The person concerned was not eligible for any loan, so the applicant was another person. Many EM II data was not valid for verification, i.e. the data filled up by the respondent for the loan was not correct.

In this research, we are forced to change not only the questioner, but also the respondent. As a result, lots of time has lost. This is a unique case we have come across, where a lot of respondent has changed the profession in the span of one and half year.

Sample questionnaire, for level I

**Personal Characteristics:** (Self employment, Entrepreneurship Mind)

**REFERENCES**

1	Do You run your business?	
2	Your family members support your business?	
3	A good job gives you satisfaction	
4	Do you eager to know the results before execution?	
5	Can you start a project in spite of myriad of obstacles?	
6	Do you really want start the business more than anything else?	

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1. An entrepreneur primary motivation for starting a business is
  - a. To make money from. To create job security
  - c. To be independent
  - d. To be powerful
2. A successful entrepreneur relies on which of the following for critical manpower advice
  - a. Internal team
  - b. External professional
  - c. Other resources
  - d. None
3. The entrepreneur can best explained as
  - a. Manager
  - b. Planner
  - c. Financier
  - d. Doers

Questionnaire for level II

Sl no.	Questions	Choice (1-5)
1.	Your family members support your business.	
2.	A good job gives you more satisfaction than business.	
3.	You eager to know the results before execution.	
4.	You start a project in spite of myriad of obstacles.	
5.	You are afraid to do things differently.	
6.	You are ready to pay tax /statutory requirement for the Government.	
7.	You are ready to accept new ideas.	
8.	The primary motivation for starting a business to make money.	
9.	You believe training has major impact on the business.	
10.	You know the basic formalities to run a business like policy issue.	
11.	You believe a Joint family is better support for running the business.	
12.	Bank or financial system should organize an awareness program.	
13.	You receive financial support in the time crisis.	
14.	You feel education is important for business.	
15.	You are now ready to stop when you decided to start something.	
16.	You are willing to work without compensation for new results.	
17.	You need prior experiences to run a business.	
18.	You believe competitors is important to you.	
19.	You are a risk taker.	
20.	Any business needs a proper business plan.	