



# INFLUENCE OF FAMILY BACKGROUND ON ENTREPRENEURS – AN ANALYSIS

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The studies conducted revealed that successful entrepreneurs have some inner qualities such as technical competence, initiative, good judgment, intelligence, leadership qualities, self-confidence, energy, attitude, creativeness, fairness, honesty, tactfulness, emotional ability, vision and foresight, ability to marshal resources, imitating character, mobility nature etc. To look in to these, an attempt is made to focus on the quality or strength possessed by the entrepreneurs and the relationship between quality and parental occupation. The paper is based on the primary data collected from 50 entrepreneurs functioning in industrial estates of Shivamogga district. The study set two null and alternate hypotheses which are tested by using chi-square test for each of the background. The calculations to see the degree of relationship at 5% significance level for each of the background revealed that the calculated value for agriculture background and entrepreneurial quality is 4.14, for business background it is 3.98 and for service background it is 4.56 as against the table value of 36.4. Thus, it is revealed that the calculated value at 5 % significance level for each background is less than the table value hence the calculations support the null hypothesis that there is no significant relationship between parental occupation and personality trait or quality of entrepreneurs.

**Key Word :** Family Background , Personality Trait

## INTRODUCTION

Entrepreneurial strength is an underline characteristic of a person which leads to his or her effective or superior performance in a job. It is a good combination of one's knowledge, skill, motive etc., which one used to perform a given job well. The strength of an entrepreneur contribute to his success. A successful entrepreneur should have the qualities such as technical competence, initiative, good judgment, intelligence, leadership qualities, self-confidence, energy, attitude, creativeness, fairness, honesty, tactfulness, emotional ability, vision and foresight, ability to marshal resources, imitating character, mobility nature etc.

Moulik Patel and Basu <sup>1</sup> studied a purposive sample of 100 non-agricultural entrepreneurs drawn from a dozen of villages of Anand taluk in Gujarath. They grouped these entrepreneurs into 3 broad

categories as manufacturing, processing and trade of services and found that small entrepreneurs in the north-east region, Similarly, Venktapathy <sup>2</sup> studied inter-generational career mobility of entrepreneurs and found that presence or lack of certain psychological factors determined the success or failure of these entrepreneurs.

Syed Muzaffar Mirbargakar <sup>3</sup> in his study on innovation in managerial techniques of small enterprises has focused on changing perspective of managerial techniques of small enterprises with reference to accounting and financial innovation. The survey focused on the current accounting and financial management practices of entrepreneurs in south India. The most important findings of the study are that many small entrepreneurs operated with unsophisticated, indeed simple, accounting and financial management procedure.

### SCOPE AND OBJECTIVES

The present study is an attempt to focus on the quality or strength possessed by the entrepreneurs, the relationship between quality and age of the entrepreneurs, educational background and parental occupation. The paper is based on the primary data collected from 50 entrepreneurs functioning in industrial estates of Shivamogga district.

### HYPOTHESES

1. H<sub>1</sub> - Parental occupation and quality of entrepreneurs are significantly different.  
H<sub>0</sub> - There is no significant difference between these two attributes.
2. H<sub>1</sub> - Family background and quality of entrepreneurs are significantly different.  
H<sub>0</sub> - There is no significant difference between these two attributes.

### STUDY FINDINGS

The major findings of the study are presented here.

#### 1. Quality of Entrepreneurs

Table 1 shows the quality or personality trait possessed by the entrepreneurs.

**TABLE 1**  
**STRENGTH OF ENTREPRENEURS**

Strength	No. of Entrepreneurs	Rank
Capacity to take risk	49	1
Capacity to work hard	48	2
Self – motivation	39	3
Strong need for achievement	27	4
Creative thinking/ Innovativeness	23	5
Flexibility and sociability	22	6
Mobility nature	18	7

Friends/Relatives backing	16	8
Ability to marshal resources	15	9
Vision and foresight	14	10
Trade/Industrial background	13	11
Financial background	12	12
Above average intelligence	11	13
Imitating character	11	13
Political background	02	14

**Source :** Field Survey

**Note:** Multiple qualities are possessed by the Entrepreneurs.

Table 1 shows that the entrepreneurs under study (in the order of importance) possessed the qualities such as capacity to take risk (49 entrepreneurs), capacity to work hard (48 entrepreneurs), self-motivation (39 entrepreneurs), strong need for achievement (27 entrepreneurs), creative thinking/innovativeness (23 entrepreneurs), flexibility and sociability (22 entrepreneurs), mobility nature (18 entrepreneurs), friends/relatives backing (16 entrepreneurs), ability to marshal resources (15 entrepreneurs), vision and foresight (14 entrepreneurs), trade/ industrial background (13 entrepreneurs), financial background (12 entrepreneurs), imitating character (11 entrepreneurs), above average intelligence (11 entrepreneurs) and political backing (02 entrepreneurs).

## 2. Quality and Parental Occupation

The family background of one may influence the possession of the qualities by the entrepreneurs. The domination of certain industrial activities such as textile activity by Marwaris and Sindies who have trade background is an indication of this. In Karnataka, the Konkanyies who are basically traders exhibited better qualities of entrepreneurship in Hotel industry. Various research studies analyzing the cross sectional relationship between parental occupation and strength of entrepreneurs is documented so far.

Nooney Lenin Kumar <sup>4</sup> in his study on Tobacco re-drying units of Andhra Pradesh found that there is no significant relationship between the personality traits and previous occupation of the entrepreneurs. In the same direction, attempt to analyse the parental occupation and quality relationship is made here with Table 2.

For the purpose of analysis, the respondents under study are grouped into three. In the first group, there are 12 entrepreneurs from agriculture background, in the second group there are 39 from business families and 9 entrepreneurs were hailed from service or employment background. For this purpose 3 entrepreneurs whose parents were coolies were included in the last group. The enjoyment of respective quality by the entrepreneurs with different occupation background is looked by calculating the respective percentage and the respective quality. The quality secured more % is assigned with first rank and so on. Such an analysis revealed the following.

1. Compared to the order two groups, the entrepreneurs from agriculture background are possessing the qualities such as capacity to work hard, self motivation, strong need for achievement, mobility nature (the entrepreneurs from business background are equal in this matter with agriculture) and political backing.
2. The business background entrepreneurs are better in terms of assuming the risk, flexibility and sociability due to inborn business qualities, ability in marshalling the resources, imitating character, financial background, friends/relatives backing and above average intelligence. They stood second in exhibiting the qualities such as hard working nature, self-motivation, creative thinking, strong need for achievement and political backing.

**TABLE 2**  
**QUALITY AND PARENTAL OCCUPATION**

<b>Strength</b>	<b>Agriculture (Out of 12)</b>	<b>Business (Out of 39)</b>	<b>Service/ Employment (9)</b>	<b>Total</b>
Capacity to take risk	10 (83.33)	35 (89.74)	04 (44.44)	49
Capacity to work hard	11 (91.66)	32 (82.05)	05 (55.55)	48
Self – motivation	09 (75.00)	25 (64.10)	05 (55.55)	39
Vision and foresight	03 (25.00)	08 (20.15)	03 (33.33)	14
Flexibility and sociability	04 (33.33)	15 (38.46)	03 (33.33)	22
Creative thinking / Innovativeness	03 (25.00)	16 (41.02)	04 (44.44)	23
Strong need for achievement	07 (58.33)	17 (43.58)	03 (33.33)	27
Ability to marshal resources	02 (16.66)	12 (30.76)	01 (11.11)	15
Mobility nature	04 (33.33)	13 (33.33)	01 (11.11)	18
Imitating character	-	09 (23.07)	02 (22.22)	11
Trade/Industrial background	-	13 (33.33)	-	13
Financial background	01 (8.33)	10 (25.64)	01 (11.11)	13
Political background	01 (8.33)	01 (2.56)	-	02
Friends/Relatives backing	03 (25.00)	11 (28.20)	02 (22.22)	16
Above average intelligence	02 (16.66)	07 (17.94)	02 (22.22)	11
<b>TOTAL</b>	<b>60</b>	<b>224</b>	<b>36</b>	<b>320</b>

**Source:** Field Survey

Note:

1. For this purpose, occupation of the father is considered.
2. Three workers doing labour job are included along with service/employment background.

3. Vision and foresight, creative thinking or innovativeness are the two attributes possessed by the entrepreneurs from service or employment background. The other traits are also possessed by them.

The study of the above relationship highlights that the entrepreneurs from agriculture and business background have possessed large number of traits.

In order to see an association between the family background and entrepreneurial quality, chi-square value is calculated for each background with the below Table 3.4 and 3.5.

**TABLE 3**  
**CHI-SQUARE TEST FOR QUALITY AND AGRICULTURAL BACKGROUND**

Strength	O	E	O-E	(O-E) <sup>2</sup>	$\frac{(O-E)^2}{E}$
Capacity to take risk	10	9.19	0.81	0.67	0.07
Capacity to work hard	11	0.40	02	0.04	0.44
Self – motivation	09	7.31	1.69	2.86	0.40
Vision and foresight	03	2.63	0.37	0.14	0.05
Flexibility and sociability	04	4.13	-0.13	0.02	0.00
Creative thinking / Innovativeness	03	4.31	-1.31	1.72	0.40
Strong need for achievement	07	5.06	1.94	3.76	0.74
Ability to marshal resources	02	2.81	0.81	0.66	0.23
Mobility nature	04	3.38	0.62	0.38	0.11
Financial background	01	2.25	-1.25	1.56	0.70
Political background	01	0.38	0.62	0.38	1.00
Friends/Relatives backing	03	3.00	00	00	0.00
Above average intelligence	02	2.06	-0.06	0.004	0.00
<b>TOTAL</b>					<b>4.14</b>

**Source:** Field Survey

1) **O** = Observed Value

**E** = Expected Value

$$\frac{RT \times CT}{GT} = \frac{49 \times 60}{320}$$

2)  $E = \frac{RT \times CT}{GT} = \frac{49 \times 60}{320} = 9.19$

3)  $Df = (R-1) (C-1)$

$$= 13 - 1 \times 3 - 1$$

$$= 12 \times 2 = 24$$

4)  $X^2$  t. value = 36.4 @ 5 % LoS

**TABLE 4**  
**CHI-SQUARE TEST FOR QUALITY AND BUSINESS BACKGROUND**

Strength	O	E	O-E	(O-E) <sup>2</sup>	$\frac{(O-E)^2}{E}$
Capacity to take risk	35	34.3	0.7	0.49	0.01
Capacity to work hard	32	33.6	-1.6	2.56	0.08
Self – motivation	25	27.3	-2.3	5.29	0.20
Vision and foresight	08	9.8	-1.8	3.24	0.33
Flexibility and sociability	15	15.4	-0.4	0.16	0.01
Creative thinking / Innovativeness	16	16.1	-0.1	0.01	0.00
Strong need for achievement	17	18.9	-1.9	3.61	0.20
Ability to marshal resources	12	10.5	1.50	2.25	0.21
Mobility nature	13	12.6	0.40	0.16	0.01
Imitating character	09	7.7	1.3	1.69	0.22
Trade/Industrial background	13	9.1	3.9	15.2	1.67
Financial background	10	8.40	1.6	2.56	0.30
Political background	01	1.40	-0.4	0.16	0.11
Friends/Relatives backing	11	11.2	-0.2	0.04	0.00
Above average intelligence	07	7.70	-0.7	0.49	0.63
<b>TOTAL</b>					<b>3.98</b>

**Source:** Field Survey

1) **O**=Observed Value  
**E**=Expected Value

3) **Df** = (R-1) (C-1)

$$= 13-1 \times 3-1$$

$$= 12 \times 2 = 24$$

$$2) E = \frac{RT \times CT}{GT} = \frac{49 \times 60}{320} = 9.19$$

4)  $\chi^2$  t. value = 36.4 @ 5 % LoS

**TABLE 5**  
**CHI-SQUARE TEST FOR QUALITY AND SERVICE BACKGROUND**

Strength	O	E	O-E	(O-E) <sup>2</sup>	$\frac{(O-E)^2}{E}$
Capacity to take risk	04	5.51	-1.51	2.28	0.41
Capacity to work hard	05	5.4	-0.4	0.16	0.03
Self – motivation	05	4.28	0.72	0.52	0.12
Vision and foresight	03	1.57	1.43	2.04	1.30
Flexibility and sociability	03	2.47	0.53	0.28	0.11
Creative thinking / Innovativeness	04	2.59	1.41	1.98	0.76
Strong need for achievement	03	3.03	-0.03	0.0009	0.00
Ability to marshal resources	01	1.68	-0.68	0.46	0.27
Mobility nature	01	2.02	-1.02	1.04	0.51
Imitating character	02	1.23	0.77	0.59	0.48
Financial background	01	1.35	-0.35	0.12	0.09
Friends/Relatives backing	02	1.8	0.2	0.04	0.02
Above average intelligence	02	1.24	0.76	0.57	0.46
<b>TOTAL</b>					<b>4.56</b>

**Source:** Field Survey

1) O=Observed Value  
E=Expected Value

3) Df = (R-1) (C-1)

$$= 13-1 \times 3-1$$

$$= 12 \times 2 = 24$$

$$2) E = \frac{RT \times CT}{GT} = \frac{49 \times 60}{320} = 9.19$$

4)  $\chi^2$  t. value = 36.4 @ 5 % LoS

The calculation to see the degree of relationship at 5% significance level for each of the background revealed the following.

1. The calculated value for agriculture background and entrepreneurial quality is 4.14, while the table value is 36.4.
2. The calculated value for business background and entrepreneurial quality is 3.98, while the table value is 36.4.
3. The calculated value for service background and entrepreneurial quality is 4.56, while the table value is 36.4.

## CONCLUSION

A study in to the degree of relationship between entrepreneurial quality and family background / parental occupation is made by using chi-square test. It is revealed that the calculated value at 5 % significance level for each background is less than the table value. The calculations thus support the null hypothesis that there is no significant relationship between parental occupation and personality trait or quality of entrepreneurs. Despite this, the study shown that the inner qualities and strength of the entrepreneurs has positively influenced the performance at the field and they exhibited better qualities of entrepreneurship by showing positive growth in terms of investment, turnover, profitability, market expansion and changes made.

## References

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