

Regional Differences in Demographic, Socio-Economic characteristics of entrepreneurs in MSMEs- A study with special reference to Northern and Southern Regions of Kerala

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Abstract

Entrepreneurship is considered as the engine of economic growth and development. Regional disparity in economic development is widely recognised. Demographic and socio-economic theories have proved that entrepreneurial development in a region is influenced by prevailing demographic and socio-economic factors. A study has found that, in Kerala State, India, there is entrepreneurial backwardness in the Northern Region as compared to that in the Southern Region. It is in this background the present study examines whether the demographic and socio-economic factors influencing entrepreneurs are different between these regions. The empirical study has proved that in Kerala State, governed by uniform rules and regulations, there are regional differences in the demographic and socio-economic factors influencing entrepreneurs in MSMEs.

Key Words: *MSMEs, Regional Difference, demographic and socio-economic factors, entrepreneurs, Northern Region, Southern Regions*

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1. Introduction

Entrepreneurship is the ‘the process of creating something new with value by devoting the necessary time and effort, assuming the accompanying financial, psychic, and social risk, and receiving the resulting rewards’(Hisrich, Peters,and Shepherd 2005). It is ‘the creation of new organisations’(Gartner 1990). Entrepreneurship promotes innovation, engenders competition, creates employment and thus contributes to economic wealth and spending power (Guasch, Kuznetsov and Sanchez 2002). Socio-economic theories on entrepreneurship are arguing that it is favourable socio-economic factors which enable a person to become and continue/ develop as an entrepreneur. Similarly unfavourable factors will discourage him in starting or continuing his entrepreneurial venture. Thus, major demographic and socio-economic factors, chosen from literature reviews, discussions with experts in this area and field study, are analysed between the northern and southern regions of Kerala.

2. Northern and Southern Regions of Kerala

The study has been conducted in Kerala State. Kerala State, covering a geographical area of 38863 Square Kilometer (Sq. Km) which is only 1.18 percent of the Indian Union but accounts for 2.76 per cent of the total population. Prior to the formation of Kerala state in 1956, there were two distinct regions (princely states) viz., Travancore-Cochin and Malabar. Hence the present study has classified the State into the northern (Malabar) and southern (Travancore- Cochin) regions. The southern Region (erstwhile Travancore-Cochin Region) consisting of Thiruvananthapuram, Kollam, Pathanamthitta, Alappuzha, Idukki, Kottayam, Ernakulam and Thrissur, and The northern Region (erstwhile Malabar Region) consisting of Palakkad, Wayanad, Kozhikode, Malappuram, Kannur and Kasaragod.

3. Importance of the Study

The MSME form of entrepreneurship as measured by the variables such as the number of MSME units set up, investment made, value of output and employment generated show that northern region has backwardness as compared to that of the southern region. Table 1 shows the status of number of MSME units registered investment, value of goods and services and employment generated by MSMEs in the northern and southern regions of Kerala.

Table 1:- Number of MSME units, Investment, Value of Goods and Services and Employment Generated by MSMEs in the Northern and Southern Regions of Kerala upto 31. 03. 2014

Region	Number of MSME Units Promoted	Total Investment (` in Lakhs)	Value of Goods and Services Produced (` in Lakhs)	Employment Provided (Nos)
Southern Region	165017	1013646	3787485	863654
Southern Region as % of Kerala	70.49	70.62	75.98	72.52
Per Capita	0.009	0.054	0.202	0.046
Northern Region	69234	421655	1197342	327290
Northern Region as % of Kerala	29.56	29.38	24.02	27.48
Per Capita	0.005	0.0288	0.082	0.022
Kerala Total	234251	1435302	4984827	1190944

Source: Economic Review 2014

The southern region consists of 56 per cent of the population and 55 per cent of the geographical area of Kerala State. The northern region accommodates 44 per cent of the population and has 45 per cent of the geographical area of the state. The gap between these two regions is only of 10-11 per cent. However, the table shows that, the entrepreneurship in the form of MSMEs is very lower in the northern region as compared to that in southern region. 70.44 per cent of the total MSMEs in the state are in the southern region as against only 29.56 per cent in the northern region. The per capita MSMEs promoted in the southern region were 0.009 as against only 0.005 in the northern region. The table 1 also shows that entrepreneurship in the form of MSMEs is very lower in the northern region as compared to that in the southern region. As on 2014, 70.62 per cent of the investment made in MSMEs in the State is in the southern region as against only 29.38 per cent in the northern region. 75.98 per cent of the value of goods and services produced by MSMEs in the State is in the southern region as against only 24.02 per cent in the northern region. The table 2 also shows that 72.52 per cent of employment generated by MSMEs in the state is in the southern region as against only 27.48 per cent in the northern region. The per capita investment made in MSMEs in the southern region was ` 0.054 as against only ` 0.0288 in the northern region. The per capita value of goods and services produced by MSMEs in the southern region was ` 0.202 as against only ` 0.082 in the northern region. The per capita number

of employment generated by MSMEs in the southern region was 0.046 as against only 0.022 in the northern region. Thus it indicates that the northern region has not achieved proportionate status in MSME entrepreneurship as compared to that of the southern region. Based on these findings, the present study examines whether there is any regional difference between Northern and Southern Regions of Kerala in respect of the demographic and socio-economic factors influencing entrepreneurs.

4. Objective and Hypothesis of the Study

To study the demographic and socio-economic factors influencing entrepreneurs in MSMEs in the Northern and Southern Regions of Kerala.

Alternate Hypothesis (H_1): There is significant difference between the northern and southern regions of Kerala in respect of demographic and socio-economic factors of entrepreneurship

Null Hypothesis (H_0): There is no significant difference between the northern and southern regions of Kerala in respect of factors of entrepreneurship.

5. Methodology

The population of the study is the entrepreneurs in MSMEs in these two regions. The study is analytical in nature. It is based on both primary and secondary data. Sampling method is followed for collecting primary data. The population of the study is the entrepreneurs in MSMEs in these two regions. The study is empirical in nature based on survey method. Primary data are collected through an interview schedule. A pilot study was conducted to examine the limitations of the research plan and to test the validity of the questionnaire.

The entrepreneurs of MSMEs who registered their enterprise with DICs on or before 31st March 2012 constitute the sampling frame. Multi stage random sampling was used for choosing the sample. Simple random sampling method three districts are selected from the northern Region (Palakkad, Kasaragod and Kannur) and three districts from the southern Region (Thiruvananthapuram, Kottayam and Ernakulam). Lottery method is adopted for getting the sample districts. From the randomly selected sample districts, the total 300 sample entrepreneurs are selected. The 50 entrepreneurs are selected from each of the selected districts so that 150 entrepreneurs were selected from a region. Thus the total sample size of entrepreneurs selected from the two regions will become 300. Simple random sampling method, using the entrepreneurs

list provided by the district offices of DICs, was adopted to choose entrepreneurs from each district.

5.1 Method of Data Analysis

The primary data collected from the entrepreneurs are edited, classified, tabulated and analysed with the help of computer software ‘Statistical Package for Social Sciences’ (SPSS). The statistical tools such as percentages, arithmetic mean and standard deviation are used to analyse the primary data. The significance of difference in respect of variables has been analysed using Pearson chi-square Test. The tables, charts and other diagrams are used to present various data.

5.2 Period of the Study

The pilot study is conducted among 30 entrepreneurs in the northern and southern regions of Kerala for a period of two months from December 2012 to January 2013. After testing the reliability and fixing the sample size, the primary data are collected using the questionnaire from 300 entrepreneurs from April 2013 to November 2013.

6. Analysis and Findings

The major factors analysed are gender, age, age at the start of first enterprise, marital status, filial position in family, religion, community, marital status, place of residence, migration, education, specialisation, performance in studies, technical qualification, childhood plan to become an entrepreneur, permission for children to become an entrepreneur. ambition, occupation of father, early occupation, reasons for leaving earlier job, skills, industrial experience and its duration, role model, desire to get a government employment, EDPs attended and its satisfaction .

6.1 Gender

The gender-wise distribution of the entrepreneurs in the northern and southern regions of Kerala is presented in table 2

Table 2:- Gender Distribution of the Entrepreneurs in the Northern and Southern Regions

Gender	North		South	
	Number	Percentage	Number	Percentage
Male	149	99.33	145	96.67
Female	1	0.67	5	3.33
Total	150	100.00	150	100.00

Source: Primary Data

The table shows that in the northern region female participation is lower (0.67 per cent) as compared to that in the southern region (3.33 per cent). In both the regions, males dominate in the entrepreneurial activities. Out of the total 150 sample entrepreneurs in the northern region 99.33 per cent (149) are males while in the southern region it is 96.67 per cent (145). Hence the table shows that in the northern region, male dominate entrepreneurial activities than that in the southern region.

6.2 Present Age

The table 3 shows comparison between the northern and southern regions of Kerala in respect of present age of entrepreneurs.

Table 3:-Present Age of Entrepreneurs in the Northern and Southern Regions of Kerala

Present Age	North		South	
	Number	Percentage	Number	Percentage
Upto 35	25	16.7	8	5.3
36-45	51	34	44	29.3
46-55	36	24	52	34.7
Above 55	38	25.3	46	30.7
Total	150	100.00	150	100.00
Pearson Chi-square: 12.944, df=3, p*=0.0005, H ₀ : Rejected				

Source: Primary Data

*Significant at 0.05 level

The table 3 shows that young entrepreneurs (age ‘upto 35’) are more in the northern region (16.7 per cent) than that in the southern region (5.3 per cent). Old entrepreneurs (age ‘above 55’) are more in the southern region (30.7 per cent) than that in the northern region (25.3

per cent). While in the northern region, the major age group of entrepreneurs is ‘36-45’ (34 per cent), in the southern region it is ‘46-55’ (34.7 per cent). Pearson Chi-Square Test shows that, since $p=0.0005 < 0.05$, there is significant difference between the northern region and southern region in respect of present age of entrepreneurs. It can be observed that young entrepreneurs are more in the northern region than that in the southern region and the difference is significant.

6.3 Marital Status

The table 4 shows the marital status of the entrepreneurs in the northern and southern regions of Kerala.

Table 4:- Marital Status of Entrepreneurs in the Northern and Southern Regions of Kerala

Marital Status	North		South	
	Number	Percentage	Number	Percentage
Married	139	92.70	148	98.7
Unmarried	11	7.3	2	1.3
Total	150	100.00	150	100.00
Pearson Chi-square: 6.513, df=1, *p=0.020, H ₀ : Rejected				

Source: Primary Data

*Significant at 0.05 level

The table 4 shows that in both the northern and southern regions, majority of the entrepreneurs are married. The percentage of married entrepreneurs is more in the southern region (98.7 per cent) than that in the northern region (92.7 per cent). Unmarried entrepreneurs are more in northern region (7.33%) than that in southern region (1.3%). Pearson Chi-Square Test shows that, since $p=0.020 < 0.05$, there is significant difference between the northern region and southern region in respect of marital status of entrepreneurs. Thus, the table shows that in the southern region there is more number of married entrepreneurs than that in the northern region and the difference is significant. It shows that married life is possible for individuals in entrepreneurship career.

6.4 Religion

The table 5 shows religion-wise comparison of the entrepreneurs in the northern and southern regions of Kerala.

Table 5:-Religion of Entrepreneurs in the Northern and Southern Regions of Kerala

Religion	North		South	
	Number	Percentage	Number	Percentage
Hindu	98	65.30	69	46.00
Christian	17	11.33	65	43.33
Islam	35	23.33	16	10.67
Total	150	100.00	150	100.00
Pearson Chi-square: 40.212, df=2, *p=0.0000, H ₀ : Rejected				

Source: Primary Data

*Significant at 0.05 level

The table shows that in the northern region, 65.30 per cent of the entrepreneurs are belonging to Hindu religion, whereas in the southern region they are only 46 per cent. In the northern region, participation of persons belonging to Christian religion is lower (11.33 per cent) as compared to that in the southern region (43.33 per cent). The entrepreneurs belonging to Islam religion are more in the northern region (23.33 per cent) than that in the southern region (10.67 per cent). It shows that in the southern region religion-wise, a mixed group takes part in entrepreneurship. While in the northern region, entrepreneurship is concentrated with persons belonging to Hindu religion. Pearson Chi square test reveals that, since $p=0.00 < 0.05$, there is significant difference between the regions in respect of entrepreneurs' religious affinity. Thus it can be concluded that unlike in the southern region, participation in entrepreneurship by persons belonging to non-Hindu religion is lower in the northern region and the difference is significant.

6.5 Place of Residence

Place of residence may influence individuals in identifying business opportunities and their entry into entrepreneurship. While the urban areas are blessed with improved infrastructure in the form of transportation facilities, digital connectivity etc., in the rural area connectivity with markets, accessibility etc., raise problems. The table 6 shows distribution of place of residence of entrepreneurs in the northern and southern regions of Kerala.

Table 6:-Place of Residence of Entrepreneurs in the Northern and Southern Regions of Kerala

Place of Residence	North		South	
	Number	Percentage	Number	Percentage
Rural	97	64.67	58	38.67
Urban	53	35.33	92	61.33
Total	150	100.00	150	100.00
Pearson Chi-square: 20.3026, df=1, *p=0.0000, H ₀ : Rejected				

Source: Primary Data

*Significant at 0.05 level

The table shows that the persons living in rural area dominate in entrepreneurial activities in the northern region than that in the southern region (38.67 per cent). Participation in entrepreneurship by persons living in urban places is lower (35.33 per cent) in the northern region as compared to that in the southern region (61.33 per cent). The Pearson Chi-Square Test shows that, since $p=0.00 < 0.05$), there is significant difference between the regions in respect of place of residence of entrepreneurs. Thus, it can be concluded that in the southern region, majority of entrepreneurs belongs to urban area, as against majority of entrepreneurs in the northern region belongs to rural area and this difference is statistically significant.

6.6 Education

The level of education may influence individuals in their decisions about occupation, type of activity etc. The role of education in entrepreneurship has been found by several studies. There are two sets of research arguments about the influence of education on entrepreneurship. Some researchers claim that education lessens the entrepreneurial desire of the individual (Krueger and Carsrud 1993). While some others say that people's entrepreneurial inclination actually increases with education (Clercq and Arenius 2006). Individuals with educational attainment know when, how and where to start a company (Ronstadt 1985). Educational attainment equips individuals with the skills and mindsets to remain flexible and open to market forces and opportunities (Peters 2002). Education that equips individuals with the knowledge and experience to deal with different situations may stimulate or impede the entrepreneurial intention (Krueger and Carsrud 1993). Education in the area of business also influences starting a business by equipping individuals with the skills and vision to engage in entrepreneurial endeavours (Altinay 2008). Education can improve an individual's creativity, flexibility, self-direction and ability to respond to various situations and thus contribute to innovative behaviours (Llewellyn

and Wilson 2003). Education influences individuals’ cultural values and thus their level of entrepreneurship (Morrison 2000).

The table 7 shows the education status of entrepreneurs in the northern and southern regions of Kerala.

Table 7:-Education Status of Entrepreneurs in the Northern and Southern Regions of Kerala

Education Status	North		South	
	Number	Percentage	Number	Percentage
Uneducated	7	4.67	3	2.00
Upto SSLC	71	47.33	37	24.67
Plus Two	30	20.00	31	20.67
Under Graduate	21	14.00	44	29.33
Post Graduate	21	14.00	35	23.33
Total	150	100.00	150	100.00
Pearson Chi-square: 23.9586, df=4, *p=0.0001, H ₀ : Rejected				

Source: Primary Data

*Significant at 0.05 level

The table shows that as compared to the southern region, the education level of entrepreneurs in the northern region is very low. ‘Uneducated’ (4.67 per cent) and educated only ‘upto SSLC’(47.33 per cent) categories put together constitute more than 50 per cent of the entrepreneurs in the northern region. Whereas in the southern region ‘under graduate (29.33 per cent) and post graduate (23.33 per cent)’ categories put together constitute more than 50 per cent of the entrepreneurs. Entrepreneurs with ‘plus two’ were 20-21 per cent in the northern and southern regions. The Pearson Chi-Square Test, since $p=0.00 < 0.05$, has proved that there is significant difference between the regions in respect of education status of entrepreneurs. Thus, the table shows that level of education of entrepreneurs in the northern region is lower than that of entrepreneurs in the southern region and this difference is significant. It can also be observed that, since in both regions educated persons dominate in entrepreneurship, education has an important positive role on individuals in choosing entrepreneurship and higher level of education (PG) is not a must in this regard.

6.7 Specialisation

The table 8 shows the specialisation status of entrepreneurs in the northern and southern regions of Kerala.

Table 8:- Specialisation in Education of Entrepreneurs in the Northern and Southern Regions of Kerala

Specialisation in Education	North		South	
	Number	Percentage	Number	Percentage
Arts	26	17.33	31	20.67
Science	11	7.33	25	16.67
Commerce	18	12.00	32	21.33
Engineering	17	11.33	22	14.67
Nil	78	52.00	40	26.67
Total	150	100.00	150	100.00
Pearson Chi-square: 45.7411, df=5, *p=0.0000, H ₀ : Rejected				

Source: Primary Data

*Significant at 0.05 level

The table shows that in the northern region more than 50 per cent of entrepreneurs have no specialisation in any of the areas as against only 26.67 per cent of the entrepreneurs belong to this group in the southern region. The table also shows that entrepreneurs having science and engineering specialisations are lower in the northern region (7.33 per cent and 11.33 per cent respectively) as compared to that in the southern region (16.67 per cent and 14.67 per cent respectively). Entrepreneurs having commerce specialisation are also lower in the northern region (12 per cent) as compared to that in the southern region (21.33 per cent). Pearson Chi-Square Test shows that, since $p=0.00 < 0.05$, there is significant difference between the regions in respect of specialisation in education of entrepreneurs. Thus the table shows that in the northern region, majority of the entrepreneurs has no specialisation in any of the disciplines as compared to that in the southern region and this difference is significant. It can be observed that specialisation has no much role in entrepreneurship in the northern region and among the specialised, entrepreneurs emerge from all the disciplines, without domination by any discipline.

6.8 Study Performance of Entrepreneurs

Performance of a person during academic period may influence his career in the future. An excellent student is likely to perform better in career than an average or below average student. The table 9 shows the study performance of entrepreneurs in the northern and southern regions of Kerala.

Table 9:- Study Performance of Entrepreneurs in the Northern and Southern Regions of Kerala

Study Performance	North		South	
	Number	Percentage	Number	Percentage
Excellent	14	9.33	10	6.67
Above Average	28	18.67	38	25.33
Average	83	55.33	91	60.67
Below Average	13	8.67	9	6.00
Poor	12	8.00	2	1.33
Total	150	100.00	150	100.00
Pearson Chi-square: 10.4198, df=4, *p=0.0339, H ₀ : Rejected				

Source: Primary Data

*Significant at 0.05 level

The table 9 shows that majority of the persons who has become entrepreneurs were average performers during their study period. In the northern region 55.33 per cent and in the southern region 60.67 per cent of the entrepreneurs were 'average' performers during their education period. The 'above average' performers, the second major group, were more in the southern region (25.33 per cent) than that in the northern region (18.67 per cent). In the northern region more number of entrepreneurs were with 'below average' (8.67 per cent) and poor (8 per cent) study performance than that in the southern region (6 per cent and 1.33 per cent respectively). Pearson Chi-Square Test shows that, since $p=0.034 < 0.05$, there is significant difference between the regions in respect of performance of entrepreneurs during their education period. Thus the table shows that majority of the entrepreneurs in both the regions were average performers in studies, and the entrepreneurs in the southern region were better performers as compared to that in the northern region and the difference is significant. It can be observed that, average performers in studies dominate in entrepreneurship.

6.9 Filial Position of Entrepreneurs

Filial position of an individual assumes significance because first child in a family is likely to get greater command over the family's assets / properties. Under the Hindu Undivided Family system in India, the senior most male member gets control over the family wealth / assets. In order to engage in entrepreneurial ventures, financial support is inevitable. Thus filial position of the individual may influence his entry into entrepreneurship. The table 10 shows filial position of the entrepreneurs in the northern and southern regions of Kerala.

Table 6.10:-Filial Position of the Entrepreneurs in the Northern and Southern Regions of Kerala

Filial Position	North		South	
	Number	Percentage	Number	Percentage
Ist Child	59	39.33	67	44.67
IInd Child	31	20.67	23	15.33
IIIrd Child	24	16.00	20	13.33
IVth Child	17	11.33	16	10.67
Others	19	12.67	24	16.00
Total	150	100.00	150	100.00
Pearson Chi-square: 2.66846, df=4, *p=0.6148, H ₀ : Accepted				

Source: Primary Data

*Not significant at 0.05 level

The table shows that first child of the family dominate in entrepreneurship. In both northern (39.33 per cent) and southern regions (44.67 per cent), major group of entrepreneurs are the 'first child' in the family. In the northern region 20.67 per cent of the entrepreneurs are second child in their families as against only 15.33 per cent in the southern region. In the northern region 16 per cent of the entrepreneurs are third child and 11.33 per cent are fourth child in their families as compared 13.33 per cent and 10.67 per cent respectively in the southern region. Pearson Chi-Square Test shows that, since $p=0.6148 > 0.05$, there is no significant difference between the regions in respect of filial position of entrepreneurs. It can be observed that first child in the family dominate among the entrepreneurs.

6.10 Childhood Plan to Become an Entrepreneur

Early career ambitions have great influence among individuals in striving to achieve them. Usually childhood ambitions inspire people to work hard and struggle to materialise them. It also mentally equips them to accept the challenges of the dream occupation, as they grow up. The table 11 shows plan at childhood to become an entrepreneur.

Table 11:-Plan at Childhood to Become an Entrepreneur in the Northern and Southern Regions of Kerala

Childhood Plan to Become An Entrepreneur	North		South	
	Number	Percentage	Number	Percentage
Yes	54	36.00	65	43.33
No	96	64.00	85	56.67
Total	150	100.00	150	100.00
Pearson Chi-square: 1.68532, df=1, *p=0.1942, H ₀ : Accepted				

Source: Primary Data

*Not significant at 0.05 level

The table shows that majority of the respondents in both the northern (64 per cent) and southern regions (56.7 per cent) had no childhood plan to become entrepreneurs. As compared to the northern region (36 per cent), more number of respondents in the southern region (43.33 per cent) had childhood plan to become entrepreneurs. Pearson Chi-Square Test shows that, since $p=0.1942 > 0.05$, there is no significant difference between the regions in respect of childhood plan to become entrepreneurs. Thus the table shows that in the northern region and southern regions majority of the respondents had no childhood plans to become entrepreneurs and there is no significant difference in this regard. It can be concluded that childhood plan has no major role on individuals in becoming an entrepreneur.

6.11 Parental Occupation

Occupation of parents may influence a person while choosing a career. ‘Individuals with an entrepreneurial family are more likely to establish their own businesses’ (Basu and Virick 2008). A family business tradition influences the individuals’ entrepreneurial behaviours (Basu and Goswami 1999). Ronstadt in his study has found that ‘nearly 76 per cent of the entrepreneurs had fathers who were also entrepreneurs’. He concluded that ‘the seeds of entrepreneurship were planted early by parental models’. Thus Children tend to follow the career path of his parent. The major reason for this tendency is that as the child gets early exposure to the entrepreneurial habits of his parents, as he grows up, naturally gets tempted to follow the parent’s path.

Moreover, a parent would feel more comfort and expertise in the profession that he has been practicing and hence may be guiding his children to follow similar career track. The table 12 shows the parental occupation of entrepreneurs in the northern and southern regions.

Table 12:-Parental Occupation of the Entrepreneurs in the Northern and Southern Regions of Kerala

Parental Occupation	North		South	
	Number	Percentage	Number	Percentage
Entrepreneur	32	21.33	48	32.00
Daily wages worker	32	21.33	21	14.00
Regular employee	38	25.33	35	23.33
Farmer	31	20.67	31	20.67
Others	17	11.33	15	10.00
Total	150	100.00	150	100.00
Pearson Chi-square: 5.73131, df=4, *p=0.2202, H ₀ : Accepted				

Source: Primary Data

*Not significant at 0.05 level

The table shows that parents of majority of entrepreneurs in both the regions were not in entrepreneurship. In the southern region the more number (32 per cent) of entrepreneurs had their parent in entrepreneurship than that in the northern region (21.33 per cent). In the northern region parents of 25.33 per cent of the entrepreneurs were regular employees, 21.33 per cent were daily wages workers, 20.67 per cent farmers and 11.33 per cent were in other occupations. In the southern region parents of 23.33 per cent were regular employees, 14 per cent were daily wages workers, 20.67 per cent were farmers and 10 per cent in other occupations. Pearson Chi-Square Test shows that, since $p=0.2202 > 0.05$, there is no significant difference between the regions in respect of occupation of parents of entrepreneurs. It can be observed that in the northern region parental occupation does not influence individuals to enter into entrepreneurship.

6.12. Earlier Occupation of Entrepreneur

Technical or non-technical experience in one job may lead a person to another better occupation. ‘Past experience equips with the ideas, vision and confidence to start a new business’ (Altinay and Altinay 2006). In the study, earlier occupations are categorised as ‘nil’ (no earlier occupation), ‘regular employee’, ‘daily wages worker’, and ‘others’. The table 13 shows the earlier occupation of entrepreneurs in the northern and southern regions of Kerala.

Table 13:- Earlier Occupation of Entrepreneurs in the Northern and Southern Regions of Kerala

Earlier Occupation	North		South	
	Number	Percentage	Number	Percentage
Nil	35	23.33	50	33.33
Regular Employee	34	22.67	61	40.67
Daily Wages Worker	69	46.00	28	18.67
Others	12	8.00	11	7.33
Total	150	100	150	100.00
Pearson Chi-square: 27.6941, df=4, *p=0.0000, H ₀ : Rejected				

Source: Primary Data

* Significant at 0.05 level

The table shows that in the northern region larger group of entrepreneurs (46 per cent) were serving as ‘daily wages worker’ prior to becoming an entrepreneur as against only 18.67 per cent in the southern region. In the southern region, prior occupation of larger group of entrepreneurs (40.67 per cent) was as ‘regular employee’ as against only 22.67 per cent in the northern region. In the southern region 33.33 per cent of entrepreneurs have chosen entrepreneurship as their first career option while this category was only 23.33 per cent in the northern region. It indicates that as compared to the southern region, in the northern region only a lesser number of entrepreneurs found entrepreneurship as a feasible first career option. Pearson Chi-Square Test shows that, since $p=0.0000 < 0.05$, there is significant difference between the regions in respect of earlier occupation status of entrepreneurs.

6.13 Reason to Leave Earlier Occupation by Entrepreneurs

The entrepreneurs who were working in different occupations earlier might have left the same for a variety of reasons. Those reasons reveal what compelled them to leave their earlier occupation and choose entrepreneurship. Those who were not in any other earlier occupation are answered as ‘not applicable’. The table 14 shows the reasons to leave earlier occupation by entrepreneurs in the northern and southern regions of Kerala.

Table 14:- Reason to Leave Earlier Occupation by Entrepreneurs in the Northern and Southern Regions

Reason to Leave Earlier Occupation	North		South	
	Number	Percentage	Number	Percentage
Low Income	17	11.33	11	7.33
Temporary	67	44.67	31	20.67
Dissatisfaction	21	14.00	37	24.67
Others	10	6.67	21	14.00
Not applicable	35	23.33	50	33.33
Total	150	100.00	150	100.00
Pearson Chi-square: 26.1684, df=4, *p=0.0000, H ₀ : Rejected				

Source: Primary Data

* Significant at 0.05 level

The table shows that in the northern region, it was ‘temporary nature’ which prompted persons to leave their earlier job and pursue entrepreneurial career (44.67 per cent). In the southern region it was ‘dissatisfaction’ (24.67 per cent) in job which caused them to shift to entrepreneurship. In the northern region, more persons (11.33 per cent) have left their earlier job due to low income than that in the southern region (7.33 per cent). Pearson Chi-Square Test shows that, since $p=0.00 < 0.05$, there is significant difference between the regions in respect of the major reason for leaving the earlier job of the entrepreneurs.

6.14. Skill Obtained From Earlier Occupation

Engaging in an occupation may enable a person to learn one or more skills. Such skills may prompt the person to pursue better career options in the future. In the study, skill types are identified as ‘technical’, ‘managerial’ and ‘others’. In case of entrepreneurs who were not engaged in any earlier occupation, response was marked as ‘not applicable’. The table 15 shows the skill obtained from earlier occupation by entrepreneurs in the northern and southern regions of Kerala.

Table 15:-Skill Obtained from Earlier Occupation by Entrepreneurs in the Northern and Southern Regions

Skill Obtained From Earlier Occupation	North		South	
	Number	Percentage	Number	Percentage
Technical	73	48.67	54	36.00
Managerial	33	22.00	40	26.67
Others	9	6.00	6	4.00
Not applicable	35	23.33	50	33.33
Total	150	100.00	150	100.00
Pearson Chi-square: 11.4324, df=3, *p=0.0096, H ₀ : Rejected				

Source: Primary Data

*Significant at 0.05 level

The table shows that in the northern region 48.67 per cent of the entrepreneurs got technical skills from their prior experience as against only 36 per cent of the entrepreneurs in the southern region. In the southern region 26.67 per cent of the entrepreneurs got managerial skills from their previous occupation as against only 22 per cent in the northern region. Pearson Chi-Square Test shows that, since $p=0.0096 > 0.05$, there is significant difference between the regions in respect of skills obtained from previous experience. It can be observed that persons who obtained technical skill from prior occupation dominate among the entrepreneurs.

6.15 Role Model

Individuals may consider one or more persons as their role models in life. Role models are those persons who exhibit best of the performance expected for a particular sector / field. They are considered as great visionaries, ideal persons/ great achievers in their respective fields. For instance, N. R. Narayanamoorthy of Infosys, Dhirubhai Ambani of Reliance etc., are great achievers in entrepreneurship. A person who considers another as a role model gets inspired and enthused to reach similar levels in life. In survey, it is asked whether the entrepreneur has any role model in life. The table 16 shows entrepreneurs having role model in the northern and southern regions.

Table 16:-Entrepreneurs Having Role Model in the Northern and Southern Regions

Whether Entrepreneur has Role Model?	North		South	
	Number	Percentage	Number	Percentage
Yes	51	34.00	57	38.00
No	99	66.00	93	62.00
Total	150	100.00	150	100.00
Pearson Chi-square: 0.520833, df=1, *p=0.4705, H ₀ : Accepted				

Source: Primary Data

*Not significant at 0.05 level

The table shows that majority of the entrepreneurs in both the northern and southern regions do not consider anyone as their role model. In the northern region 66 per cent and in the southern region 62 per cent of the entrepreneurs have responded that they are not considering any person as a role model. Pearson Chi-Square Test shows that, since $p=0.4705 > 0.05$, there is no significant difference between the regions in respect of having a role model for the entrepreneurs. It can be observed that among entrepreneurs, role models have no importance.

6.16 EDP Attended

EDPs (Entrepreneurship Development Programmes) are the programmes initiated by governmental or semi-governmental agencies for imparting training for existing or prospective entrepreneurs with regard to various aspects of an enterprise formation and running. They also include motivation classes, personality development training, legal awareness sessions etc. EDPs are aimed at promotion and development of entrepreneurship in a region. The EDP sessions are also aimed to clarifying doubts and maintaining a long term relationship with training agencies in order to develop entrepreneurship. The table 17 shows the participation of entrepreneurs in EDPs.

Table 17:- Participation of Entrepreneurs in EDPs in the Northern and Southern Regions

EDP Attended	North		South	
	Number	Percentage	Number	Percentage
Yes	46	30.67	62	41.33
No	104	69.33	88	58.67
Total	150	100.00	150	100.00
Pearson Chi-square: 3.70370, df=1, *p=0.0543, H ₀ : Accepted				

Source: Primary Data

*Not significant at 0.05 level

The table shows that both in the northern and southern regions, majority of the entrepreneurs have not attended any of EDPs. In the northern region 69.33 per cent and in the southern region 58.67 per cent of the entrepreneurs did not attend EDPs. The table shows that in the northern region only lesser number of persons has got EDPs (30.67 per cent) than that in the southern region (41.33 per cent). Pearson Chi-Square Test shows that, since $p=0.0543 > 0.05$, there is no significant difference between the regions in respect of participation of entrepreneurs in EDPs. It can be concluded that EDPs have no much role in generating entrepreneurs.

8. Concluding Remarks

The study has shown that there is entrepreneurial backwardness in northern region as compared to that in southern region. The study has proved that there is significant difference between the northern and southern regions in respect of majority of the demographic, socio-economic characteristics of entrepreneurs in MSMEs. For promoting entrepreneurship in MSMEs in northern region, certain measures are needed. Since young entrepreneurs are more in northern region with lesser specialisation, rigorous regular training on technical and managerial areas is needed. In northern region, entrepreneurship should be promoted across all religious groups. Since entrepreneurs in northern region are academically lower than that in the southern region, EDPs should be intensified. In order to choose entrepreneurship as their occupation option more awareness is needed in northern region. In order to ensure business continuity, govt. support needs to be increased. Closer contacts with role models should be promoted for promoting entrepreneurship in the northern region.

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