

The Effects of Entrepreneurial Characteristics on Business Performance at Sahajanand Industries, Kadodara

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ABSTRACT

The research paper investigates the nexus between entrepreneurial characteristics and business performance through a study conducted on 50 entrepreneurs and its vicinity in Surat city, India. The study examines various entrepreneurial traits such as risk-taking, goal setting, adaptability, and decision-making among others, and their impact on business success. Data analysis includes demographic details of the entrepreneurs, crosstabulations, Chi-square tests, and an exploration of the effects of entrepreneurial characteristics on business performance. Findings reveal a diverse entrepreneurial landscape with motivations ranging from financial gain to personal fulfilment. While most entrepreneurs' express confidence in their abilities, there exists a spectrum of attitudes towards risk-taking and decision-making. The study underscores the importance of understanding the nuanced relationship between entrepreneurial traits and business performance for strategic growth and sustainable development. Recommendations for future research are proposed to further enrich this understanding and inform decision-making processes in the entrepreneurial ecosystem.

Introduction

Sahajanand Industries Pvt. Ltd. is a leading manufacturer and exporter of eco-friendly specialty performance chemicals for textile processing in India, boasting a comprehensive range of pre-treatment, dyeing, printing, and finishing chemicals. With a commitment to innovation and customer satisfaction, they offer products free from APEO, NPEO, and hazardous substances, as well as 100% biodegradable options. Backed by 18 years of industry experience and under the leadership of Founder Mr. Paresh S. Vaholiya and CEO Mr. Umang P. Vaholiya, Sahajanand Industries Pvt. Ltd. has built a strong reputation for delivering high-quality chemicals tailored to meet unique customer needs. Additionally, as part of the Sahajanand

Group, they are associated with manufacturing glitter powders and metallised films, further solidifying their presence in the market and their commitment to excellence.

The topic delves into the correlation between entrepreneurial characteristics and business performance. Entrepreneurial traits such as risk-taking, self-belief, adaptability, planning, financial management, and readiness to pivot are crucial for success. Business performance, defined as the ability to implement strategies to achieve organizational objectives, depends on factors like management style, customer relationship management, and employee motivation. Entrepreneurial characteristics are vital for identifying opportunities, making effective decisions, and overcoming challenges. Business performance reviews, encompassing structure, financial analysis, staff evaluations, and operational performance, are essential for growth and success. A robust performance management structure sets clear expectations, driving results and fostering growth.

The following literature has been studied in order to conduct the present study:

Review of Literature

1. Abdullahi Mahadalle, Dr. Burcin Kaplan (2017) conducted a study that purpose of assessing the effect of entrepreneurial competencies and entrepreneur's demographic and personal characteristics on business performance among initial stage entrepreneurs. The study comprised a sample size of 48 respondents. The data were analysed using with PLS 3 software. The study result found that entrepreneurial characteristics and entrepreneurial competencies are positively related to overall business performance. Further, through the studies, the study also supports the claim that Somalia's women entrepreneurs make a significant contribution to the small-scale businesses in Somalia but faced several challenges that must be catered to as an urgency.

2. Dr. Rula Ali Al-Damen (2015) conducted a study that purpose of investigate the impact of the entrepreneurs' characteristics on small business success at Medical Instruments Supplies Organizations in Jordan. The study comprised a sample size of 66 respondents. Data collected by developed questionnaire. T-test, ANOVA test, correlation was applied for the analysis. The study result found that there is an impact of the entrepreneurs' characteristics on the small business success, which indicate the small business success related to the entrepreneurs' characteristics.

3. St. Aisyah, Anwar Ramli (2017) conducted a study that purpose of analyse the characteristics and entrepreneurial orientation towards entrepreneurial competence and business performance in Makassar. The study comprised a sample size of 93 respondents. Data collected by developed questionnaire. This study

uses variances-based techniques. The study result found that owners or managers high autonomy are entrepreneurs strong desire to develop self-sufficiency in trying to have a significant impact on business performance.

4. Kamalakumati Karunanidhi (2013) conducted the study that purpose of assess how the characteristics influence the organizational development. . The study comprised a sample size of 105 respondents which were selected using purposive and simple Random sampling techniques. The regression and corelation were applied for the analysis. The study result found that the characteristics of the small business entrepreneurs in Kandy district had significant relationship with organizational development. This study concluded that characteristics significantly influenced organizational development.

5. Sulaiman Ainin, Anna Che Azmi (2010) conducted the study that purpose of examine the determinates of business performance of small medium enterprises professional service business based in Malasia. The study comprised a sample size of 354 respondents which were selected using purposive and simple Random sampling techniques. T -test was applied for the analysis. The study result found that gender and age of the entrepreneurs significantly affect business performance. Business whose owner are men perform better than business whose owner are women and younger.

On the basis of the literature studied, certain gaps were discovered. Accordingly, objectives were developed:

Objectives of the Study:

1. Primary Objective:

- To know the effects of entrepreneurial characteristics on business performance.

2. Secondary Objectives:

- To find the relationship between entrepreneurial characteristics and business performance.
- To identify to entrepreneurial characteristics.
- To identify most effecting entrepreneurial characteristics.
- To identify least effecting entrepreneurial characteristics.

Research Methodology

Problem Statements:

“To study the effects of entrepreneurial characteristics on business performance at Sahajanand Industries Pvt. Ltd.”

Descriptive research design: Descriptive research is defined as a research method that describes the characteristics of the population or phenomenon studied. This methodology focuses more on the “what” of the research subject than the “why” of the research subject. The descriptive research method primarily focuses on describing the nature of a demographic segment, without focusing on “why” a particular phenomenon occurs. In other words, it “describes” the subject of the research, without covering “why” it happens.

Source of Data:

Primary Data:

Primary data collection would be taken from the entrepreneurs who are currently engaging in their own business and services with the help of structured questionnaire. For the present study primary data will be collected from entrepreneurs of Surat City and its vicinity. The entrepreneurs belong to conglomerate category (variations in size, scale, and nature).

Data Collection Instrument:

In the present survey the structured questionnaire will be used.

Sampling Method:

➤ **Sample Population:**

primary data collection would be taken from entrepreneurs who are currently engaging in their own business and services.

➤ **Sampling Size:**

In this study research, 50 entrepreneurs' sample will be studied who are currently engaging in their own business.

➤ **Sample Area:**

Surat city and vicinity

Sample Elements:

Sample elements are the entrepreneurs who are currently engaging in their own business and services.

Survey: Surat City

Age: Above 20 years

In this research study, a Descriptive Research design is employed. Mean, Standard Deviation, Kurtosis, and Skewness tests are utilized to analyse the data. Additionally, Crosstabulation and Chi-square tests are applied in this study to further examine the relationships between variables.

Limitation of Study:

- The research is limited to only Surat City.
- The sample belongs to conglomerate category. Hence comparison may be difficult.
- The survey will be conducted physically/digitally, hence there can be lack of physical presence from both ends in case of some entrepreneurs.

Research Gap:

The above literature has been studied thoroughly, yet some areas have been left uncovered such as, entrepreneurial characteristics on business performance have not been explained thoroughly. Similarly, exact relationship between entrepreneurial characteristics and business performance has not been studied. Moreover, the most and least influential factors have remained outside the orbit of study so far. Based on gaps so derived, objectives have been prepared.

Data Analysis & Interpretation:

[A] About Entrepreneurs and their Business:

Sr. No.	Demographic Details	No.	Percentage (%)
1.	Age		
	▪ Below 20 Years	13	26 %
	▪ 21 – 30 Years	28	56 %
	▪ 31 – 40 Years	7	14 %
	▪ 41 – 50 Years	2	4 %
2.	Household Income (Annual)		
	▪ Less than 15,00,000	24	48 %
	▪ 16,00,000 – 30,00,000	3	6 %
	▪ 31,00,000 – 45,00,000	7	14 %
	▪ 46,00,000 – 60,00,000	7	14%
	▪ Above 60,00,000	9	18 %
3.	Education Qualification		
	▪ Matric	5	10 %
	▪ Graduate	27	54 %

	▪ Post Graduate	15	30 %
	▪ Other	3	6 %
4.	Names of Categories of Business		
	▪ Manufacturing	17	34 %
	▪ Service	15	30 %
	▪ Distribution	6	12%
	▪ Other	12	24 %
5.	Reasons/Motives for Starting Business		
	▪ Make a Money	15	30 %
	▪ Be your own boss	15	30 %
	▪ Fear of being unemployed	1	2 %
	▪ Enjoy a satisfied life	17	34 %
	▪ Other	2	4 %
6.	Numbers of Years in Present Business		
	▪ Less than 1 year	14	28 %
	▪ 1 – 3 years	13	26 %
	▪ 4 – 5 years	14	28 %
	▪ 6 – 10 years	2	4 %
	▪ More than 10 years	7	14 %
7.	Methods of Starting Business		
	▪ From Scratch	17	34 %
	▪ Take a franchise	18	36 %
	▪ Purchase business	7	14 %
	▪ Family inheritance	3	6 %
	▪ Other	5	10 %
8.	Numbers of Employees During Starting of Business		
	▪ 1 -5	19	38 %
	▪ 6 – 10	15	30 %
	▪ 11 – 15	7	14 %
	▪ 16 - 20	3	6 %
	▪ More than 20	6	12 %
9.	Numbers of Employees During Current Time of Business		
	▪ 1 -5	14	28 %
	▪ 6 – 10	14	28 %
	▪ 11 – 15	8	16 %
	▪ 16 - 20	5	10 %
	▪ More than 20	9	18 %
10.	Profitability at Starting of Business		
	▪ Less than 5%	11	22 %
	▪ 5% - 10%	19	38 %

	▪ 11% - 15%	15	30 %
	▪ 16% - 20%	5	10 %
11.	Profitability at Current Time of Business		
	▪ Less than 5%	14	28 %
	▪ 5% - 10%	19	38 %
	▪ 11% - 15%	14	28 %
	▪ 16% - 20%	3	6 %

Crosstabulations and Chi-Square Tests:

1.) Age * Education Qualification Crosstabulation:

		Education Qualification				Total
		Matric	Graduate	Post Graduate	Other	
Age	Below 20 years	4	7	0	2	13
	21 - 30 years	1	18	8	1	28
	31 - 40 years	0	0	7	0	7
	41 - 50 years	0	2	0	0	2
Total		5	27	15	3	50

The table indicates that among respondents below 20 years old, 4 individuals have completed their matric qualification. In the 21–30 age group, 18 respondents have graduated. However, in the 31–40 age group, there are no respondents with a postgraduate qualification. Similarly, in the 41–50 age group, there are no respondents with other educational qualifications.

1.) Chi-Square Test of Age * Education Qualification:

H0: There is no significant association between Age and Educational Qualification.

H1: There is significant association between Age and Educational Qualification.

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	31.453 ^a	9	.000
Likelihood Ratio	34.438	9	.000
Linear-by-Linear Association	1.464	1	.226
N of Valid Cases	50		
a. 13 cells (81.2%) have expected count less than 5. The minimum expected count is .12.			

This table shows that there is significant association between age & education qualification because Pearson chi-square, likelihood ratio & liner-by-liner association value is less than 0.05. Here we fail to accept H0.

2.) House hold Income * Sector of Business Crosstabulation:

		Sector of Business				Total
		Manufacturing	Service	Distribution	Other	
House hold Income (Annual)	less than 15,00,000	6	7	1	10	24
	16,00,000 - 30,00,000	2	1	0	0	3
	31,00,000 - 45,00,000	4	3	0	0	7
	46,00,000 - 60,00,000	1	3	2	1	7
	Above 60,00,000	4	1	3	1	9
Total		17	15	6	12	50

The table illustrates that among the respondents, 6 individuals are from the manufacturing sector, and their annual household income is less than 15,00,000. Additionally, there is only 1 respondent from the service sector, with an annual household income falling between 16,00,000 to 30,00,000. However, there are no respondents from the distribution sector with an annual household income in the range of 31,00,000 to 45,00,000. Furthermore, there is only 1 respondent from another sector, reporting an annual household income between 46,00,000 to 60,00,000. Lastly, 4 respondents from the manufacturing business have an annual household income exceeding 60,00,000.

2.) Chi-Square Test of House hols Income * Sector of Business:

H0: There is no significant association between Sector of Business and Household Income.

H1: There is significant association Sector of Business and Household Income.

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	19.425 ^a	12	.079
Likelihood Ratio	21.615	12	.042
Linear-by-Linear Association	2.346	1	.126
N of Valid Cases	50		

a. 17 cells (85.0%) have expected count less than 5. The minimum expected count is .36.

This table shows that there is no significant association between household income (Annual) and sectors of business of the entrepreneurs because Pearson chi-square association value is more than 0.05 so, H_0 is accepted.

3.) Age * Household Income Crosstabulation:

		House holds Income (Annual)					Total
		less than 15,00,000	16,00,000 - 30,00,000	31,00,000 - 45,00,000	46.00.000 - 60,00,000	Above 60,00,000	
Age	Below 20 years	9	1	1	0	2	13
	21 - 30 years	14	2	5	4	3	28
	31 - 40 years	0	0	0	3	4	7
	41 - 50 years	1	0	1	0	0	2
Total		24	3	7	7	9	50

The table indicates that there are 9 respondents with an annual household income of less than 15,00,000, and their age is below 20 years. Additionally, there are 2 respondents with an annual household income between 16,00,000 to 30,00,000, belonging to the 21 to 30 years age group. There are no respondents with an annual household income between 31,00,000 to 45,00,000 in the 31 to 40 years age group. Similarly, there are no respondents with an annual household income between 46,00,000 to 60,00,000 in the 41 to 50 years age group. However, there are 4 respondents with an annual household income above 60,00,000, and they belong to the 31 to 40 years age group.

3.) Chi-Square Test of Age * Household Income:

H_0 : There is no significant association between Age and Household Income.

H_1 : There is significant association between Age and Household Income.

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	22.226 ^a	12	.035
Likelihood Ratio	25.168	12	.014
Linear-by-Linear Association	6.001	1	.014
N of Valid Cases	50		
a. 17 cells (85.0%) have expected count less than 5. The minimum expected count is .12.			

This table shows that there is significant association between age & household income(Annual) because Pearson chi-square and likelihood association value is less than 0.05 so, H0 is accepted.

4.) Sector of Business * Method of starting Business Crosstabulation:

		Method of Starting Business					Total
		From scratch	Family inheritance	Purchase a business	Take a franchise	other	
Sectors of Business	Manufacturing	6	6	1	2	2	17
	Service	8	4	2	1	0	15
	Distribution	0	2	4	0	0	6
	Other	3	6	0	0	3	12
Total		17	18	7	3	5	50

The table illustrates that there are 6 respondents who initiated manufacturing businesses from scratch. Additionally, 4 respondents transitioned from the service sector to join family businesses. Another 4 respondents acquired distribution businesses. Notably, there are no respondents who opted for franchise ownership across any business sector.

4.) Chi-Square Test of Sector of Business * Method of starting Business:

H0: There is no significant association between Method of Starting Business and Sector of Business.

H1: There is significant association between Method of Starting Business and Sector of Business.

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	26.272 ^a	12	.010
Likelihood Ratio	26.410	12	.009
Linear-by-Linear Association	.696	1	.404
N of Valid Cases	50		
a. 16 cells (80.0%) have expected count less than 5. The minimum expected count is .36.			

This table shows that there is no significant association between sectors of business and method of starting business of entrepreneurs because Pearson chi-square and likelihood association value is less than 0.05 so, H0 is accepted.

[B] About Effects of Entrepreneurial Characteristics on Business Performance:

The following statements were asked to respondents to study the entrepreneurial characteristics on business performance

Statements	SD	D	N	A	SA
Moderate risk taker and having liking to anticipate.	7	5	18	15	5
Following practice of setting mind to achieve goal set.	5	5	14	12	14
Readiness to accept consequences of decision taken.	5	4	14	16	11
Taking credit of success on abilities & efforts.	3	4	16	12	12
Follow flow of communication.	2	7	14	14	13
Reward and encouragement for better performance.	3	9	15	14	9
Readiness to make personal in critical situation.	4	8	14	17	7
Decisive and very persistent in problem solving.	4	7	21	8	10
Have an ability to take a low risk for a sure rate of return.	5	10	15	15	5
Have an ability to take a risk for any kind of deal if it has positive impact for business.	4	5	19	17	5
Never afraid to investing money on a risk calculated project.	9	11	15	14	7
Always ready to response positively in uncertain situations.	3	3	21	16	7
In uncertain situation, continue with the course of the .actions, even when results seem uncertain.	3	4	21	1	8
Have an ability to achieve my set goals and objectives.	3	7	19	10	11
Despite setbacks, believing in controls & influence will help in achieve goals.	2	7	16	14	11
Open-minded and quick learner.	2	5	17	10	16
Always adjust business strategies to the changing business environment.	3	5	14	16	12
Have an ability to identify fresh and innovative approaches to existing situations.	2	5	21	12	10
Anticipate change and perceive trends before they become apparent to others.	4	6	17	14	9
Result oriented, striving to build and grow a business.	6	4	18	14	8
Want to prove that can do the best.	2	4	20	7	17

The above chart indicates that there are 7 respondents who strongly disagree with moderate risk-taking and have a liking to anticipate. Additionally, there are 9 respondents who disagree with never being afraid to invest money in a risk-calculated project. Furthermore, 21 respondents exhibit a natural inclination to

always respond positively in uncertain situations. Moreover, 17 respondents agree with having the ability to take a risk for any kind of deal if it has a positive impact on the business and are prepared to make personal sacrifices in critical situations. Similarly, there are also 17 respondents who strongly agree with the practice of setting their minds to achieve set goals.

Statistical Analysis:

Statements	Mean	Std. Deviation	Skewness	Kurtosis
Moderate risk taker and having liking to anticipate.	3.1200	1.17178	-.400	-.492
Following practice of setting mind to achieve goal set.	3.5000	1.28174	-.485	-.688
Readiness to accept consequences of decision taken.	3.4800	1.21622	-.590	-.357
Taking credit of success on abilities & efforts.	3.5800	1.12649	-.520	-.200
Follow flow of communication.	3.5800	1.14446	-.375	-.677
Reward and encouragement for better performance.	3.3400	1.15370	-.214	-.717
Readiness to make personal in critical situation.	3.3000	1.14731	-.372	-.564
Decisive and very persistent in problem solving.	3.2600	1.17473	-.061	-.575
Have an ability to take a low risk for a sure rate of return.	3.1000	1.14731	-.203	-.705
Have an ability to take a risk for any kind of deal if it has positive impact for business.	3.2800	1.05056	-.486	.026
Never afraid to investing money on a risk calculated project.	3.2200	1.13011	-.101	-.750
Always ready to response positively in uncertain situations.	3.4200	1.01197	-.450	.352
In uncertain situation, continue with the course of the .actions, even when results seem uncertain.	3.4000	1.04978	-.331	.030
Have an ability to achieve my set goals and objectives.	3.3800	1.15864	-.147	-.642
Despite setbacks, believing in controls & influence will help in achieve goals.	3.5000	1.11117	-.279	-.603
Open-minded and quick learner.	3.6600	1.15370	-.367	-.679
Always adjust business strategies to the changing business environment.	3.5800	1.14446	-.545	-.302

Have an ability to identify fresh and innovative approaches to existing situations.	3.4600	1.05386	-.163	-.310
Anticipate change and perceive trends before they become apparent to others.	3.3600	1.15635	-.345	-.453
Result oriented, striving to build and grow a business.	3.2800	1.19591	-.422	-.410
Want to prove that can do the best.	3.6600	1.15370	-.284	-.729

As responses positive mean for all characteristics are above 3 out of 5. Standard Deviation is owing to deviation in opinion of respondents for characteristics mentioned above. Positive figures of Skewness are due to higher mean of responses. Figures of Kurtosis support the results interpreted by figures of Skewness.

Major Findings of the Study

All respondents are entrepreneurs currently engaged in their own business ventures.

Out of 50 respondents:

- Approximately 26% are below 20 years old.
- Majority of 18% have an annual turnover above 60,00,000 Rs.
- 10% have completed matric, while 30% hold post-graduate degrees.
- 34% are in manufacturing, and 30% are in services.
- 30% started their business for financial gain, while 34% started for a satisfying lifestyle.
- 28% initiated their businesses within the last year, and 26% have been running their businesses for 1 to 3 years.
- 34% started from scratch, 36% acquired existing businesses, and 14% opted for a franchise.
- 38% began with 1 to 5 employees, 30% with 6 to 10 employees, and 14% with 11 to 15 employees.
- Currently, 28% have 1 to 5 employees, and 28% have 6 to 10 employees.
- At the start, 22% had a profit percentage of less than 5%, and 38% had a profit percentage between 5% to 10%.
- Currently, 28% have a profitability of less than 5%, and 38% have a profitability between 5% to 10%.

Conclusion

This study investigates the impact of entrepreneurial characteristics on business performance among 50 entrepreneurs in Surat city and its vicinity. Findings reveal that most entrepreneurs are youthful, managing businesses with turnovers below 15,00,000 Rs, and predominantly male with varying educational backgrounds. Motivations for business initiation range from financial independence to family legacy, with a significant number starting within the past year. While many entrepreneurs' express confidence in their abilities and willingness to take calculated risks, some remain neutral or disagree with certain risk-taking attitudes. Overall, the research underscores the nuanced relationship between entrepreneurial traits and business performance, urging entrepreneurs to leverage these insights for strategic growth. Future studies should delve deeper into this connection to enhance understanding and inform decision-making processes for sustainable business development.

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