EXPLORING THE RELATIONSHIP BETWEEN PSYCHOLOGICAL CAPITAL AND ENTREPRENEURIAL SUCCESS

1Maria Tresita Paul V, 2Dr. N. Uma Devi

1UGC-MANF-Junior Research Fellow, Bharathiar School of Management and Entrepreneur Development
Bharathiar University, Tamilnadu, India

2Assistant Professor, Bharathiar School of Management and Entrepreneur Development, Bharathiar University
Tamilnadu, India

1maria.tresi@gmail.com

Abstract—Purpose—The purpose of the present paper is to explore the relationship between the psychological capital and entrepreneurial success among MSME entrepreneurs using correlation technique. Design/methodology/approach—The hypotheses were tested using a cross-sectional research design. Systematic Random sampling technique was adopted in selecting the 367 MSME entrepreneurs of manufacturing sector in Coimbatore district. Finding—Results of the correlation analysis revealed that there existed a moderate positive relationship between the psychological capital and entrepreneurial success, further the results revealed that the relationship was high among the entrepreneurs of partnership firm and among first generation entrepreneurs. Additionally the results also showed that gender of the entrepreneurs did not differ in their perception towards psychological capital and entrepreneurial success. Practical implications—Based on the study, the results implied that MSME entrepreneurs pursuing success must strive to cultivate high level of psychological capital as the psychological resources are key determinants of entrepreneurial success among MSMEs entrepreneurs in Coimbatore district. Originality/value—The original contribution of the paper suggests that the Entrepreneur’s Psychological Capital is measured using the Psychological Capital Questionnaire (PCQ) and results highlighted that the psychological capital is significantly related and plays a high influence towards the MSMEs entrepreneurial success in the Indian context, especially Coimbatore district.

Keywords—Correlation, Entrepreneurial Success, MSME, Psychological Capital, Positive Psychology.

I. INTRODUCTION

Economic development of a country is the outcome of purposeful human activity. A developing country like India needs entrepreneurs who are competent to innovate, perceive new opportunities and are willing to incur the necessary risk in exploiting them. A developing economy like India is required to be brought out of the vicious circle of low income and poverty. Entrepreneur can break this vicious circle. Entrepreneurial success can change a developing economy into a developed economy. Thus the role played by entrepreneurs is vital for development of that country. In India MSMEs play an essential role in the development of overall industrial economy of the country. In recent years, the MSME, with its agility and dynamism, the sector has shown admirable innovativeness and adaptability to survive the recent economic downturn and recession. The MSME sector in India is highly heterogeneous in terms of the size of the enterprises, variety of products and services, and levels of technology. The sector not only plays a critical role in providing employment
opportunities at comparatively lower capital cost than large industries but also helps in industrialization of rural and backward areas, reducing regional imbalances and assuring more equitable distribution of national income and wealth. MSMEs complement large industries as ancillary units and contribute enormously to the socio-economic development of the country. Entrepreneurial success of micro, small and medium-sized enterprises (MSMEs) sounds exciting to research because of its contribution to the economic development of any country. At individual level, many entrepreneurs voluntarily keep faith in their ventures hoping for success, despite the risk and uncertainty. At organizational level, entrepreneurial success is a myth due to conflicting interests between the owner managers and strategic decision makers regarding problem/opportunity-solution/exploitation nexus [1]. Previous researches define entrepreneurial success from strategic performance perspective and they conclude that personal traits determine the level of business performance [2], [3].

From the view of psychology, a lot more could be understood about entrepreneurial success and the fundamentals of entrepreneurial success [4], while attaching meaningfulness of life in discussing it. Psychological Capital is identified as personal traits contributing to individual productivity by psychologists [5]. It is the study and application of positively oriented human resource strengths and psychological capacities that can be measured, developed, and effectively managed for performance improvement in today's workplace [6]. In this paper, the focus is particularly on the relationship between the psychological capital and entrepreneurial success of MSME entrepreneurs owning sole trading and partnership firm in Coimbatore district. This study integrated entrepreneurship with the other fields of studies such as psychology, behavioral management, learning, and marketing to understand entrepreneurial success. Specifically, this study examined entrepreneurial success as the theoretical outcome of psychological capital.

A. Need for the Study

The role played by MSME entrepreneurs makes them a significant contributor in the development of their country. MSMEs often in rural areas, face lack of resources and capability to innovate and succeed [6], but the success stories of the few cannot be overlooked and this call for further research. The entrepreneurial success is broad term. Previous studies have measured entrepreneurial success from strategic and financial performance perspective [2]. However, dependence on only these limit the understanding of entrepreneurial success as a whole [8], [9]. This knowledge gap warrants the need to re-conceptualize entrepreneurial success [10]. A lot more can be understood about entrepreneurial success from psychological perspective [11]. Literature suggests that psychological capital has a direct positive relationship with entrepreneurial success [1]. Only few studies are conducted in measuring MSMEs entrepreneurial success from psychological perspective. So this study is need of the hour for understanding the relationship, in a developing country like India where MSMEs entrepreneurial success is synonym to overall development of that country.

II. LITERATURE OF PREVIOUS STUDIES

A. Psychological Capital

Psychological Capital is identified as personal traits contributing to individual productivity by psychologists (Gohel, 2012). It is the study and application of positively oriented human resource strengths and psychological capacities that can be measured, developed, and effectively managed for performance improvement in today's workplace [6]. In this paper, the focus is particularly on the relationship between the psychological capital and entrepreneurial success of MSME entrepreneurs owning sole trading and partnership firm in Coimbatore district. This study integrated entrepreneurship with the other fields of studies such as psychology, behavioral management, learning, and marketing to understand entrepreneurial success. Specifically, this study examined entrepreneurial success as the theoretical outcome of psychological capital.
There are four dimensions of psychological capital. They are self-efficacy, hope, optimism, and resilience (Luthans et al., 2008). Self-efficacy is one’s confidence in his or her ability to mobilize the motivation, cognitive resources, and courses of action necessary to execute a specific course of action within a given context (Luthans & Youssef, 2004). Optimism is making an internal, relatively stable, and global attribution regarding positive events such as goal achievement, and an external, relatively unstable, and specific cause for negative events like a failed attempt at reaching a goal (Luthans et al., 2007). Hope represents the motivational energy to identify the way to achieve career goals (Luthans et al., 2007). Individuals with greater hope, have more energy to pursue success (Snyder et al., 2000). Resilience is facing the negative events, individual with higher levels of resilience could deal with setbacks smoothly (Tugade et al., 2004). The four psychological capital dimensions are conceptually independent (Luthans et al., 2007) and empirically valid (Bryant & Cvengros, 2004).

B. Studies on entrepreneur’s psychological capital

Entrepreneurs play a vital role in the overall development of the country. Psychological capital is reflected in person's self-view or sense of self-esteem (Goldsmith, Veum, & Darity, 1997). Thus, one could look at psychological capital as a person's sense or view of his or her ability to successfully utilize the financial, human and/or social capital he or she brings to an organization in a productive manner. Some of the studies contributed in measuring the psychological of the entrepreneurs are as follows.

In their study Psychology of Entrepreneurship, Michael Frese & Michael M. Gielnik (2014), showed that personality dimensions, such as (general) self-efficacy and need for achievement, and entrepreneurial orientation are highly associated with entrepreneurship (business creation and business success).

Susan M. Jensen (2012), in his study on Psychological Capital and Entrepreneurial Stress, proposed that the core construct of psychological capital (comprised of self-efficacy, hope, optimism, and resilience) may enhance the understanding of how individuals perceive stress. Moreover, the malleable nature of psychological capital offers opportunity for entrepreneurs to strengthen their own psychological capital and that of their employees. The study provides practical strategies for stress management within the entrepreneurial environment are provided.

Keith M. Hmieleski & Jon C. Carr (2008), in their study on, entrepreneur Psychological Capital and new venture performance, investigated the relationship between the psychological capital of entrepreneurs and the performance of their new ventures (i.e., revenue and employment growth). Entrepreneurs’ psychological capital was found to explain a significant amount of variance in new venture performance, above and beyond measures of financial capital, human capital and social capital. Further, the relationship between psychological capital and new venture performance was found to be enhanced by environmental dynamism, such that the relationship is most positive when dynamism is high, as opposed to low.

C. Entrepreneurial Success

Entrepreneurial success as an area of study is complex in terms of it meaning and means (Csikszentmihalyi, 2003; Dvir et al., 2010; Shane, 2008; Sisodia et al., 2007). This study agreed with a view which says that entrepreneurial success is a set of positive outcomes from the utilization of internal human strengths guided by virtue (Seligman & Csikszentmihalyi, 2000). The power and strengths are embedded deep within the psychology of individual entrepreneurs (Hmieleski & Carr, 2007). In today’s world entrepreneurs perceive success not only financially but also psychologically (Gorgievski et al., 2011). For entrepreneurs, non-monetary incentive has become more fulfilling, while monetary gains do not always bring the greatest satisfaction (Alstete, 2008; Csikszentmihalyi, 2003). Thus entrepreneurial success needs to be re-conceptualized because it has been suggested to be more than just financially termed (Cooper & Artz, 1995; Dess & Robinson, 1984; Gorgievski et al., 2010; Ventkataraman & Ramanujam, 1986). Entrepreneurial success is dynamic because it depends on the fluctuation of psychological states, which determine
behaviors amidst uncertainties, difficulties, changes, and challenges in the environments. Entrepreneurial success is highlighted to comprise not only financial gains but also psychological measures of success, such as satisfaction, feeling of gratitude, and preparedness (Sisodia et al., 2007; Tang et al., 2010). The dimensions of entrepreneurial success included in this paper are: Financial Wealth: refers to the measure of how well a firm can use assets from its primary mode of business and generate revenue (Haber & Reichel, 2005). Entrepreneurial Satisfaction: is a higher level state of being successful relative to what the entrepreneurs have tried to achieve (Cooper & Arzt, 1995; Davidsson, 2005). Feeling of Gratitude: is a positive emotion as a result of the belief in achievement after hard work (Weiner, 1985). Entrepreneurial Preparedness: is an entrepreneurial standard quality in making evaluation and judgment whether to exploit on opportunities based on available information (Judge et al., 2001; Tang et al., 2010).

D. Studies on Entrepreneurial Success

Jens M. Unger, Andreas Rauch, Michael Frese & Nina Rosenbusch (2011), conducted a study on human capital and entrepreneurial success. They found a significant but small relationship between human capital and success. They examined theoretically derived moderators of this relationship referring to conceptualizations of human capital, to context, and to measurement of success. The relationship was higher for outcomes of human capital investments (knowledge/skills) than for human capital investments (education/experience), for human capital with high task-relatedness compared to low task-relatedness, for young businesses compared to old businesses, and for the dependent variable size compared to growth or profitability. Findings are relevant for practitioners (lenders, policy makers, educators) and for future research. The findings show that future research should pursue moderator approaches to study the effects of human capital on success.

Andreas Rauch & Michael Frese (2007), conducted a study on entrepreneurs and success. The results indicate that traits matched to the task of running a business produced higher effect sizes with business creation than traits that were not matched to the task of running an enterprise. The traits matched to entrepreneurship significantly correlated with entrepreneurial behaviour (business creation, business success) were need for achievement, generalized self-efficacy, innovativeness, stress tolerance, need for autonomy, and proactive personality. These relationships were of moderate size in general and, moreover, heterogeneity suggested that future research should analyse moderator variables.

John B Miner (2006), in his study explored psychological typology and entrepreneurial success, indicates that typologies covering multiple types of entrepreneurs are applicable within the realm of entrepreneurial personality. Four such personality types - personal achievers, real managers, expert idea generators, and empathic supersales people - are identified, and shown to be related to subsequent entrepreneurial success. The evidence indicates that entrepreneurial talent may be gauged in terms of the number of these patterns present in a given individual. Those with more patterns are more likely to achieve a substantial level of success. These results have implications for anyone whose work touches upon the field of entrepreneurship.

Robert A. Baron (2006) in his survey study examined, psychological perspectives on Entrepreneurship. This paper examined, Why are some entrepreneurs so much more successful than others in starting new companies—ones that create wealth for their societies as well as themselves? Growing evidence suggests that the answer involves the influence of both cognitive and social factors. Successful entrepreneurs appear to think differently than other persons in several respects. Similarly, successful entrepreneurs appear to be higher in social competence—the ability to interact effectively with others (e.g., they are better at social perception and adapting to new social situations). These results suggest that the principles and findings of psychology can be invaluable to researchers in the field of entrepreneurship, providing important insights into the factors that influence entrepreneurs’ success.
Studies on Psychological capital and Entrepreneurial Success

Martin Mabunda Baluku, Julius Fred Kikooma & Grace Milly Kibanja (2016), conducted a study on psychological capital and the startup capital–entrepreneurial success relationship. Explore the interaction between entrepreneurs' positive psychological capital and startup capital in leading to entrepreneurial success. Focus is on how owners of small scale enterprises use their psychological strengths to achieve their business goals. It was observed that optimism is the component of psychological capital that significantly moderates the relationship between startup capital and entrepreneurial success. Both startup capital and psychological capital are significant predictors of entrepreneurial success; however, psychological capital is the better predictor.

Hasni N. Juhdi & Roshayati Abdul Hamid & Adriana Mohd Riz & Nurita Juhdi (2015), in their study examined the relationship between psychological capital and entrepreneurial success and the roles of entrepreneurial work engagement and entrepreneurial learning intensity as multiple mediators in influencing the relationship. Respondents were the owner-managers of small and medium service enterprises (service SMEs) in Malaysia. The results showed that psychological capital had a positive relationship with entrepreneurial success. In fact, through entrepreneurial work engagement and entrepreneurial learning intensity, the multiple mediators, the relationship was found to be more comprehensive. The study supported the theoretical arguments that entrepreneurial success are strongly associated with internal power and strengths, which this study believed as psychological state resources.

Sh. Usman Yousaf, Mohd. Hizam-Hanafiah & Bushra Usman (2015), in their study highlighted the importance and need of studying psychological capital in entrepreneurial context. Scarcity of traditional forms of resources and limited volitional control requires entrepreneurs to heavily rely on psychological resources in their entrepreneurial endeavor. One such resource is psychological capital (PsyCap). For entrepreneurs, PsyCap may serve as an important resource for performance improvement and future intentions (e.g. growth intention). This paper presents a review and calls for the research on the effects of psychological capital on performance and future growth intentions of entrepreneurs. This study has implications for the current and prospective entrepreneurs as well as government and private bodies working on regulating, developing, encouraging and enhancing entrepreneurship.

Sema Polatç and Asuman Akdoğan (2014) in their study investigated the relationship between psychological capital and performance and to identify work family spillover and psychological well-being as a mediator of the effects of psychological capital on performance. The results based on Structural Equation Modeling revealed that psychological capital plays an important role in providing employees to have high performance. The results also indicate that psychological well-being and two dimensions of spillover (positive and negative work-family spillover) mediate the effect of psychological capital on performance. Implications of the results are discussed, and avenues for future research are offered.

Based on literature evidence, it is appropriate to posit that there is a positive relationship between psychological capital and entrepreneurial success. Psychological capital relates positively to work performance (Sweetman et al. 2011); desired psychological outcomes (Sweetman et al. 2011) and the general well-being of human (Culbertson et al. 2010; Hmieleski). Recent empirical evidence in entrepreneurship study shows a positive relationship specifically between psychological capital and satisfaction among entrepreneurs (Hmieleski & Carr 2007).

III. RESEARCH QUESTIONS

Based upon the review of literature the following research questions are framed.

1) Does any empirical relationship exist between Psychological Capital and Entrepreneurial success within the sample of sole trading entrepreneurs?
2) Does any empirical relationship exist between Psychological Capital and Entrepreneurial success within the sample of partnership entrepreneurs?
Does any empirical relationship exist between Psychological Capital and Entrepreneurial success within the sample of first generation entrepreneurs?

Does any empirical relationship exist between Psychological Capital and Entrepreneurial success within the sample of traditional entrepreneurs?

Are there differences in entrepreneurs perception towards Entrepreneurial success based on their Gender?

Are there differences in entrepreneurs perception towards Entrepreneurial success based on their generation?

A. Null Hypotheses

Based on the research questions the following hypotheses are framed for the study.

- a) There is no significant relationship between Psychological Capital and Entrepreneurial success of sole trading entrepreneurs.
- b) There is no significant relationship between Psychological Capital and Entrepreneurial success of partnership entrepreneurs.
- c) There is no significant relationship between Psychological Capital and Entrepreneurial success of first generation entrepreneurs.
- d) There is no significant relationship between Psychological Capital and Entrepreneurial success of traditional entrepreneurs.
- e) There is no significant difference between the gender of the entrepreneurs and their perception towards entrepreneurial success.
- f) There is no significant difference between the entrepreneurs generation and their perception towards entrepreneurial success.

B. Methods

Study sample and population

The present study adopted a cross sectional research design approach. The population comprised of entrepreneurs of micro small and medium enterprises registered with District Industries Centre, Coimbatore district. Only those entrepreneurs, who fulfilled the following criteria, were considered:

- a) Formal Business registration with the Indian Companies Act.
- b) More than 5 years of experience in managing business.
- c) Manufacturing sector MSME.
- d) Permanent Worker(s) of at least 1.

Total numbers of MSMEs fulfilling all the above conditions, comprising the population were 15717. Probability sampling was used to collect the data from the respondents. Systematic random sampling method was used for this study selecting the sample. A sample of 367 MSME respondents’ were selected in the entire Coimbatore district.

C. Instruments

The research instruments included two scales: The Psychological Capital Scale and the Entrepreneurial Success Scale. The reliability of the questionnaire was tested by using Cronbach alpha to show the internal consistency of the questionnaire. The overall Cronbach reliability of the instrument was .83.

The Psychological Capital Scale (PCQ) by (Luthans et al., 2007) was used to measure the entrepreneurs’ psychological capital. The scale consists of 24 items. In our study the scale was adopted to measure the level of psychological capital of entrepreneurs and the responses were collected using a five point scale (1- Strongly Disagree; 2- Disagree; 3- Neutral; 4- Agree; 5- Strongly Agree), such that higher scores indicate that there is a higher level of psychological capital among the entrepreneurs and lower the scores indicate lower psychological capital. The minimum possible score was 24 and the maximum possible score was 120. The scale has 6 items for self-efficacy, 6 items for hope, 6 items for optimism and 6 items for resilience.

The Entrepreneurial Success Scale consisted of two domains: financial wealth and psychological measures of performance. The scale consists of 18 items. The financial wealth domain was adapted from Haber and Reichel’s (2005) having 3 items. The psychological performance domain consists of three facets: Entrepreneurial satisfaction was...
adapted from Greenhaus’s et al. (1990), career satisfaction having 5 items. Feeling of gratitude measures were adopted from McCullough et al. (2002) having 7 items. Entrepreneurial preparedness measures were adapted from Tang’s et al., (2010) evaluation and judgment of opportunities having 3 items. The responses were collected using a five point scale (1- Strongly Disagree; 2- Disagree; 3- Neutral; 4- Agree; 5- Strongly Agree), such that higher scores indicate that there is a higher level of entrepreneurial success among and lower the scores indicate lower entrepreneurial success. The minimum possible score was 24 and the maximum possible score was 120.

IV. STATISTICAL ANALYSIS

Data analysis was carried out by the methods of descriptive statistics, which includes the mean and standard deviation, along with inferential statistical method of simple correlation to evaluate the correlations between the psychological capital, as independent variable and the entrepreneurial success, as the dependent variable and the Mann Whitney U test was performed to find out the significant difference between a demographic variable and the dependent variable. It is imperative to note that errors of accepting or rejecting the null hypothesis were considered in this research. Research tends to accept that when $p \leq 0.05$, then acceptable levels of significance have been achieved. The demographic profile of entrepreneurs is presented as in Table 1.

<table>
<thead>
<tr>
<th>Demographic details</th>
<th>N</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>74</td>
<td>67</td>
</tr>
<tr>
<td>Female</td>
<td>223</td>
<td>33</td>
</tr>
<tr>
<td>Below 25 yrs</td>
<td>133</td>
<td>43</td>
</tr>
<tr>
<td>25-35 yrs</td>
<td>157</td>
<td>47</td>
</tr>
<tr>
<td>36-45 yrs</td>
<td>55</td>
<td>15</td>
</tr>
<tr>
<td>46-55 yrs</td>
<td>4</td>
<td>1</td>
</tr>
<tr>
<td>Above 55 yrs</td>
<td>4</td>
<td>1</td>
</tr>
<tr>
<td>Diploma</td>
<td>26</td>
<td>7.1</td>
</tr>
<tr>
<td>UG</td>
<td>113</td>
<td>30.8</td>
</tr>
<tr>
<td>FG</td>
<td>113</td>
<td>30.8</td>
</tr>
<tr>
<td>Others</td>
<td>115</td>
<td>31.3</td>
</tr>
<tr>
<td>5-7 yrs</td>
<td>122</td>
<td>33</td>
</tr>
<tr>
<td>8-50 yrs</td>
<td>153</td>
<td>42</td>
</tr>
</tbody>
</table>

A. Results

Based on the research questions the following are the results of the analysis are discussed as follows.

Research question 1: To test the relationship between the Psychological Capital and Entrepreneurial success within the sample of sole trading entrepreneurs. Based on this research question the Spearman’s Rank correlation analysis was used to test the hypothesis. There is no significant relationship between Psychological Capital and Entrepreneurial success of sole trading entrepreneurs.
Interpretation: Based on the results of the analysis, it was found from table 2 that there exists a positive correlation between the Psychological Capital and Entrepreneurial success of sole trading entrepreneurs, at 0.01 level of significance, hence the null hypothesis 1 was rejected and the alternate hypothesis 1 “There is a significant relationship between Psychological Capital and Entrepreneurial success of sole trading entrepreneurs.” was accepted.

Research question 2: To test the relationship between the Psychological Capital and Entrepreneurial success within the sample of sole partnership entrepreneurs. Based on this research question the Spearman’s Rank correlation analysis was used to test the hypothesis.

Ho2: There is no significant relationship between Psychological Capital and Entrepreneurial success of partnership entrepreneurs.

TABLE 3

<table>
<thead>
<tr>
<th>Variables</th>
<th>Psychological Capital</th>
<th>Entrepreneurial success</th>
</tr>
</thead>
<tbody>
<tr>
<td>Psychological Capital Spearman Rank</td>
<td>1</td>
<td>.384**</td>
</tr>
<tr>
<td>Sig. (2 tailed)</td>
<td></td>
<td>.000</td>
</tr>
</tbody>
</table>

** Correlation is significant at the 0.01 level (2-tailed) *Source: Primary Data

Interpretation: Based on the results of the analysis, it was found from table 3 that there exists a positive correlation between the Psychological Capital and Entrepreneurial success of partnership entrepreneurs, at 0.01 level of significance, hence the null hypothesis 2 was rejected and the alternate hypothesis 2 “There is a significant relationship between Psychological Capital and Entrepreneurial success of partnership entrepreneurs.” was accepted.

Research question 3: To test the relationship between the Psychological Capital and Entrepreneurial success within the sample of first generation entrepreneurs. Based on this research question the Spearman’s Rank correlation analysis was used to test the hypothesis.

Ho3: There is no significant relationship between Psychological Capital and Entrepreneurial success of first generation entrepreneurs.

TABLE 4

<table>
<thead>
<tr>
<th>Variables</th>
<th>Psychological Capital</th>
<th>Entrepreneurial success</th>
</tr>
</thead>
<tbody>
<tr>
<td>Psychological Capital Spearman Rank</td>
<td>1</td>
<td>.455**</td>
</tr>
<tr>
<td>Sig. (2 tailed)</td>
<td></td>
<td>.000</td>
</tr>
</tbody>
</table>

** Correlation is significant at the 0.01 level (2-tailed) *Source: Primary Data

Interpretation: Based on the results of the analysis, it was found from table 4 that there exists a positive correlation between the Psychological Capital and Entrepreneurial success of first generation entrepreneurs, at 0.01 level of significance, hence the null hypothesis 3 was rejected and the alternate hypothesis 3 “There is a significant relationship between Psychological Capital and Entrepreneurial success of first generation entrepreneurs.” was accepted.
Research question 4: To test the relationship between the entrepreneurs’ Psychological Capital and Entrepreneurial success within the sample of traditional entrepreneurs. Based on this research question the Spearman’s Rank correlation analysis was used to test the hypothesis.

Ho4: There is no significant relationship between Psychological Capital and Entrepreneurial success of traditional entrepreneurs.

**TABLE 5**

<table>
<thead>
<tr>
<th>Variables</th>
<th>Psychological Capital</th>
<th>Entrepreneurial success</th>
</tr>
</thead>
<tbody>
<tr>
<td>Psychological Capital</td>
<td>Spearman Rank</td>
<td>1</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td></td>
<td>.000</td>
</tr>
</tbody>
</table>

**Correlation is significant at the 0.01 level (2-tailed) **Source: Primary Data

**Interpretation:** Based on the results of the analysis, it was found from table 5 that there exists a positive correlation between the Psychological Capital and Entrepreneurial success of traditional entrepreneurs, at 0.01 level of significance, hence the null hypothesis 4 was rejected and the alternate hypothesis 4 “There is a significant relationship between Psychological Capital and Entrepreneurial success of traditional entrepreneurs.” was accepted.

Research question 5: To test the differences in entrepreneur’s perception towards Entrepreneurial success based on their Gender. Based on this research question the Mann Whitney U test was used in order to test the hypothesis.

Ho5: There is no significant difference between the gender of the entrepreneurs and their perception towards entrepreneurial success.

**TABLE 6**

<table>
<thead>
<tr>
<th>Variables</th>
<th>Mann-Whitney U</th>
<th>Wilcoxon W</th>
<th>Z</th>
<th>Asymp. Sig. (2-tailed)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall</td>
<td>13945.000</td>
<td>21571.000</td>
<td>-1.109</td>
<td>.267</td>
</tr>
</tbody>
</table>

*Source: Primary Data

**Interpretation:** From the table 4, since the asymptotic significance value for the overall entrepreneurial success is greater than 0.05 (5% level of significance) so Ho5 is accepted. Hence, it is inferred that male and female entrepreneurs did not differ in their perception towards their entrepreneurial success and significant differences were not found as both gender of entrepreneurs are aware of their role to be played to achieve success. All the entrepreneurs, despite their gender feel that they have the clarity about the priorities of the functions and their role in attaining entrepreneurial success.

Research question 6: To test the differences in entrepreneur’s perception towards Entrepreneurial success based on their generation. Based on this research question the Mann Whitney U test was used in order to test the hypothesis.

Ho6: There is no significant difference between entrepreneur’s generation and their perception towards entrepreneurial success.

**TABLE 7**

<table>
<thead>
<tr>
<th>Variables</th>
<th>Mann-Whitney U</th>
<th>Wilcoxon W</th>
<th>Z</th>
<th>Asymp. Sig. (2-tailed)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall</td>
<td>13577.500</td>
<td>29867.500</td>
<td>-3.208</td>
<td>.001</td>
</tr>
</tbody>
</table>

*Source: Primary Data

**Interpretation:** From the table 7, since the asymptotic significance value for the overall entrepreneurial success variable is less than 0.05 (5% level of significance) so Ho6 is rejected.
rejected and the alternate hypothesis “there is a significant difference between entrepreneur’s generation and their perception towards entrepreneurial success” is accepted.

<table>
<thead>
<tr>
<th>Generation</th>
<th>N</th>
<th>Mean Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>First</td>
<td>180</td>
<td>165.93</td>
</tr>
<tr>
<td>Second or Traditional</td>
<td>187</td>
<td>201.39</td>
</tr>
</tbody>
</table>

*Source: Primary Data

Based on the mean rank table 8, it is inferred that the traditional entrepreneurs perceived their entrepreneurial success to be higher when compared to the first generation entrepreneurs. The possible reason may be because the second generation entrepreneurs are exposed to more resources they already have the infrastructure, human capital and technological advancements when compared to first generation entrepreneurs, and with the ever changing business environment they only have to keep updating themselves constantly to attain competitive advantage in business and technology for achieving entrepreneurial success.

**B. Findings and Discussions**

The main objectives of the study was to find a relationship between the psychological capital and the entrepreneurial success followed by the objective to find if the entrepreneurs varied on their perception towards success based on their gender and generation. This study determines that there exists a significant and positive relationship between psychological capital (independent variable) and entrepreneurial success (dependent variable), among sole traders, Partnerships, first generation and traditional entrepreneurs. The study results is consistent with the study findings by Noor Hasni Juhdi and Nurita Juhdi (2013) conducted among the established entrepreneurs in Malaysia and proved that there existed a strong positive correlation among the psychological capital of the entrepreneurs and their success level. The study also concluded in consistence with the present study that entrepreneurial success is a combination of financial and psychological measures of performance. Following this, the significant difference was not found between the gender of the entrepreneurs and their success levels and the results showed that there was no difference found in the perception of entrepreneurial success based on their gender. Further in understanding the difference between entrepreneurs generation and entrepreneurial success was found that they differed. The findings also suggest that traditional entrepreneurs perceived their entrepreneurial success to be higher when compared to the first generation entrepreneurs. Further the findings also consistent with prior research (e.g., Gorgievski et al., 2010; Hall & Chandler, 2005; Hmieleski & Carr, 2007) that entrepreneurial success is much the attribution of psychological states variables. Though financial performance plays a vital role to assess entrepreneurial success, psychological measures of success, namely satisfaction, feeling of gratitude and preparedness lead to a more comprehensive understanding of entrepreneurial success.

**V. LIMITATIONS AND FUTURE RESEARCH**

Even though the study was first of its kind in understanding the relationship of MSME entrepreneurs psychological capital and entrepreneurial success among manufacturing sector in Coimbatore district, the study was limited in some regards. First, the study was conducted only in the manufacturing sector MSME entrepreneurs of Coimbatore district alone, so the generalizations of the results were not possible. So, further research should concentrate on the various other sectors and also in the different districts. Second, the effect of the demographic variable gender and entrepreneur’s generation differences was only highlighted in the paper so future research can concentrate on the other demographic variables like the age, family type, location, the educational qualification of the entrepreneurs etc. Finally, this study was done using cross sectional design of research so further research can be done using the same variables as a longitudinal study to check if the results vary or not.
VI. IMPLICATIONS FOR PRACTICE

1) Based on the study findings, it was found that among the MSME entrepreneurs owning partnership firms the relationship of psychological capital with entrepreneurial success was moderately high. The sole trading MSME entrepreneurs should strive to develop their psychological capital to enhance their entrepreneurial success.

2) As there was no difference found among the male and female entrepreneurs perception on entrepreneurial success, the government and local bodies for MSME development should utilize this effort of both gender on a positive side to produce effective and sustainable development.

3) Based on the generation, traditional entrepreneurs were more perceived towards entrepreneurial success whereas, the correlation results revealed that the among first generation entrepreneurs the relationship between psychological capital and entrepreneurial success was moderately high. So the second generation entrepreneurs should develop their psychological capital, as these can be developed within individuals Seligman (1990; 2002) and Luthans, Avey, Avolio, Norman, and Combs (2006). So the second generation entrepreneurs can face thrive and flourish under ever changing, adverse and tense business environment to achieve success.

VII. CONCLUSION

In conclusion, the present study contributed in understanding the effective relationship of the psychological capital of the MSME entrepreneurs to their entrepreneurial success. Thus, based on the primary objective of understanding the perceptions of the MSME entrepreneurs psychological capital on their success in Coimbatore it was found to be high and the majority of entrepreneurs were rated to have entrepreneurial success. The results also revealed that the perception entrepreneurs did not differ based on their gender towards their entrepreneurial success and significant differences were found based on their generation. Both gender of entrepreneurs are aware of their role to be played to achieve success. All the entrepreneurs, despite their gender feel that they have the clarity about the priorities of the functions and their role in attaining entrepreneurial success. The significant relationship between psychological capital (independent variable) and entrepreneurial success (dependent variable) necessitates this study to examine to what extent psychological capital impacts entrepreneurial success in further research. Thus overall the MSME entrepreneurs should strive to cultivate and strengthen their psychological capital, Self-Efficacy, Optimism, hope and Resilience for long term entrepreneurial success.

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