

ENTREPRENEURS' BIOGRAPHIC CHARACTERISTICS AND SMALL ENTERPRISE GROWTH IN BANGLADESH: AN EMPIRICAL ANALYSIS

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ABSTRACT

The growth of any business enterprise depends on different factors including its entrepreneur's biographic characteristics. The present paper aims at exploring these characteristics and analyzing their effects on the growth of small enterprises in Bangladesh. The entrepreneurs selected randomly for the study as sample respondents using multi-stage sampling technique constitute 400 and have been interviewed personally. Findings of the study reveal that relatively higher educated and married male entrepreneurs, having business experience of less than ten years, were significant group to enter the business. The majority of the sample entrepreneurs have hailed from non-business family and have started their business at young and middle age. Results also claim that entrepreneurs' biographic characteristics except family background and marital status play a significant role in the growth of small enterprises' equity capital, production, employment, sales, and profit.

KEYWORDS: Biographic Characteristics, Entrepreneurs, Growth, Small Enterprise

INTRODUCTION

The word 'entrepreneur' is derived from the French word 'Entreprendre' which means 'to undertake' or 'enterpriser' (Kent et al., 1982). At that time, this word was applied to those who were engaged in military services. In the 16th century, the modern use of the word 'entrepreneur' and 'entrepreneurship' began. In 1755, French economist Cantillon defined entrepreneur as a person involved in purchasing goods at certain prices and selling it at uncertain prices (Cantillon, 1755). This statement expresses basic characteristics of an entrepreneur like risk taking, desire for making profits, taking initiative which may be expressed as innovation of new venture or initiative. According to him, the farmers, craftsmen, wholesalers, retailers, and the like are entrepreneurs. Schumpeter defined entrepreneur as an innovator who introduces something new into the economic development, methods of production not yet tested by experience in the branch of manufacture, a product with which consumers are not familiar, a new source of raw materials or new markets hitherto unexplored and other similar innovations (Schumpeter, 1959). McClelland, a psychologist, defined entrepreneur as a person who is psychologically motivated by a high need for achievement. Such need encourages him to take risky ventures and makes him hard working to achieve the goal (McClelland, 1961: 44).

In ordinary sense, an entrepreneur is a person who initiates the creation of commercial or industrial enterprise on profit or loss basis. S/he mainly aims at earning profit by getting involved in business activities, maintaining his or her livelihood from the earnings and making the organization more profitable and prosperous. But scholars have explained entrepreneur much more above this general definition. McClelland's achievement oriented entrepreneur or Schumpeter's innovative entrepreneur is really something great. In a developing or underdeveloped countries, the entrepreneurs are mostly imitators or adapters of ideas developed elsewhere than pure innovators. The entrepreneurs, selected for the study, fall in the definitions given by Cantillon, Schumpeter and others as they started new enterprises or restarted the existing enterprises in different ways and are still running the same assuming risk of loss (for keen competition, high operating expenses, etc.). In the present study, the term 'entrepreneur' broadly refers to a person who initiates, organizes, manages,

and controls the affairs of a business unit that combines the factors of production to supply goods and services whether the business pertains to industry, trade or services. In the sample units under study, majority of the entrepreneurs were founder-entrepreneurs and were still found to be managing their units, barring a few, in which there was a change of ownership either by inheritance or by acquisition. Therefore, the person holding a unit by acquiring or inheriting it, was considered here as an entrepreneur as s/he bore risk of loss. The definition of small enterprise varied over time and now in Bangladesh, there is no unique definition of small enterprise. Meanwhile, the government in mid 2008 changed the definitions of SMEs to coup with the present situation. The definition was changed as per the suggestion of Bangladesh Better Business Forum, formed by the 2007-2008 interim government amid a drastic erosion of business confidence. On 26 May 2008, the Agricultural Credit and Special Programs Department (ACSPD) of Bangladesh Bank in a circular (No.8) defined small enterprise as shown in Table 1. Later on, the SME division of Ministry of Industry, the Government of the Peoples' Republic of Bangladesh with discussion with Bangladesh Bank, Statistical Bureau, Board of Investment, and other agencies, corroborating the definition of SMEs given by Bangladesh Bank, issued a circular on 12 June 2008. All banks and financial institutions are asked to follow this definition. In the present study, the researcher also followed the same.

Table 1: Definition of Small Enterprise Given by Bangladesh Bank and Ministry of Industry

Type of Enterprise	Criteria	
	Fixed Assets (excluding land and building)	No. of Employees (full time)
Trading	Tk. .05 million to 5 million	Maximum 25
Manufacturing	Tk. .05 million to 15 million	Maximum 50
Service	Tk. .05 million to 5 million	Maximum 25

Note: Tk. is short for Bangladeshi currency, the Taka. The current exchange rate (31 December 2009) is US\$1= Tk.69.59735.

Source: Bangladesh Bank Circular No.8, May 26, 2008

The small enterprises selected for the present study were of three types, viz. trading (e.g. grocery, cloth store, medicine store, etc.), manufacturing (knitting factory, sewing factory, furniture making factory, bakeries, saw mills, rice mills, ice cream factory, silk factory, brick field, food processing, poultry firms, etc.), and service (engineering workshop, tailoring house, diagnostic center, etc.).

Biographical characteristics of an entrepreneur that affect on the success or failure of entrepreneurial process consisting of: age, gender, marital status, social status, studies, experience and race (Wagner & Sternberg, 2004). In the present study, entrepreneurs' biographic characteristics were analyzed in terms of their age, gender, family background, educational qualification, marital status, number of children, occupational background, and previous business experience.

To assess the growth and development of small enterprises in Philippines, Tecson et al. (1990) used some quantitative measures as growth in sales, employment, capital productivity, and profitability of the enterprises. Sarder (2000) adopted growth in sales, growth in job, sales per job, and value added per job as measures in assessing the growth performance of small enterprises.

In the present study, the quantitative criteria used in measuring the small enterprise growth were: (i) growth in equity capital employed; (ii) growth in production; (iii) growth in size of employment; (iv) growth in sales turnover; and (v) growth in profit.

OBJECTIVES

The present study covered the following specific objectives:

- (i) To explore biographic characteristics of the selected entrepreneurs; and
- (ii) To assess the impact of entrepreneurs' biographic characteristics on small enterprise growth.

RESEARCH HYPOTHESES

Based on the literature and objectives of the study, the following two research hypotheses were formulated and tested:

H₁: Entrepreneurs' biographic characteristics (age, sex, family background, education, marital status, and previous experience) have a significant positive impact on small enterprise growth.

H₂: Entrepreneurs' biographic characteristics (age, number of children, and previous experience) are positively correlated with small enterprise growth.

MATERIALS AND METHODS

In Bangladesh, there is no systematic, up-to-date, and reliable statistics on the number and categories of small enterprises.

Consequently the present study was carried out on 400 small enterprises selected from 6 districts of two divisions- Dhaka and Rajshahi by adopting multi-stage random sampling technique.

The small enterprises engaged either in trading, manufacturing or service rendering activities were studied mainly with a view to evaluating the impact of their entrepreneurs' biographic characteristics on their growth.

To the end, both the independent variables (entrepreneurs' biographic characteristics) and dependent variables (small enterprise growth measures) were taken into account.

To glean the required data and information, both the primary and secondary sources were used.

The primary sources were the owners, partners, managing directors or their representatives, whereas the books, journals, research reports, newspapers, annual reports, websites, and other publications were the secondary sources.

An interview schedule was prepared to collect primary data from the sample entrepreneurs.

Prior to starting main field survey, the questions in the interview schedule and the data collection techniques were moderated with the experience of pilot study on 20 entrepreneurs, not included in the sample.

The primary data were collected by conducting face-to-face and telephone interview with the sample entrepreneurs. The secondary data were amassed by desk research using different libraries and websites.

The data collected for the present study were processed through computer using SPSS 11.5 version.

With a view to analyzing the collected data, the statistical tools-chi-square test, matrix correlation, linear regression model, and simple percentage were applied.

RESULTS AND DISCUSSIONS

The major findings and the corresponding analyses are discussed below:

Biographic Characteristics of the Selected Entrepreneurs

Table 2: Biographic Characteristics of Sample Entrepreneurs

Profiles of the Sample Entrepreneurs	No. of Entrepreneurs	Percentage
Age of Entrepreneurs		
Up to 30	202	50.5
31 to 40	117	29.3
41 and above	81	20.2
Total	400	100
Average age	32.2 Years	
Sex of Entrepreneurs		
Male	362	90.5
Female	38	9.5
Total	400	100
Fathers' Occupations of Entrepreneurs		
Business	185	46.3
Service	123	30.8
Agriculture	92	23
Total	400	100
Educational Qualifications of Entrepreneurs		
Below secondary	115	28.8
Secondary	68	17
Higher secondary	65	16.2
Graduation and above	152	38
Total	400	100
Marital Status of Entrepreneurs		
Single	30	7.5
Married with children	336	84
Married without children	34	8.5
Total	400	100
Number of Children of Entrepreneurs		
1	61	18.2
2	166	49.4
3	66	19.6
4 and above	43	12.8
Total	336	100
Occupational Background of Entrepreneurs		
Unemployed	116	29
Homogeneous business	97	24.3
Another business	108	27
Service	70	17.5
Agriculture	9	2.2
Total	400	100

Table 2: Biographic Characteristics of Sample Entrepreneurs – Contd.

Profiles of the Sample Entrepreneurs	No. of Entrepreneurs	Percentage
Previous Business Experience of Entrepreneurs		
No experience	38	9.5
Below 10 years	190	47.5
10 years and above	172	43
Total	400	100
Average business experience	10.06 Years	

Source: Field Survey

1. Age of the Entrepreneurs at the Time of Commencement

The age at which an entrepreneur enters into business is very important because it plays a significant role in business growth. For innovative spirit, foresight, determination to succeed, positive thinking, ability to take risks, and the like, so very necessary for an entrepreneur are intimately associated with his or her age (Kumar, 1995: 128). But Staw (1991) found age as a less important factor for starting any business. Table 2 reveals that more than one-half of the total 400 entrepreneurs were not more than 30 years old. The studies of Rahman et al. (1979:84); Khan (1987:96); Nabi & Salahuddin (1989:177); Zimmer & Scarborough (1994); Kumar (1995:128); Anjum (1996); Mohiuddin et al. (1998:47); Islam & Mamun (2000:223); Mia (2000:159); Karim (2001:19); and Ashraf & Alam (2004:39) displayed the similar age group dominating entrepreneurs' start-up age profile. Only 20.2 percent of the selected entrepreneurs belonged to the old aged group of 41 years and above. The average age of the entrepreneurs was found as 32.2 years. This sort of distribution indicates that relatively young and middle-aged youths were significant group to enter the business. This was because at this age, they had vigor, courage, and maturity to undertake risky ventures facing unfavorable situations with perseverance. Also unemployment and responsibilities towards the family were other reasons for entering self-earning activities at this age.

2. Sex of the Sample Entrepreneurs

Table 2 exhibits that out of 400 sample entrepreneurs, 362 (90.5 percent) were men and the remaining 38 were women. This finding is relatively consistent with the business environment of Bangladesh. The studies of Rahman et al. (1979:79); Khan (1987:96); Kumar (1995:146); Islam & Mamun (2000:223); Mia (2000:159); Carter et al. (2000); and Hashim et al. (2007:55) were also carried out on male dominating sample respondents. In the present study, the reasons for this obvious imbalance in the sex issue of the entrepreneurs might be conservative traditional attitude, risk adverse tendency of women, non-cooperation of family members and supporting institutions, etc.

3. Family Background of the Sample Entrepreneurs

In a patriarchal society like Bangladesh, father is the head of a family. In the present study, father' occupation implies family background. The findings of the survey in this regard showed that the highest 46.3 percent entrepreneurs came from families engaged in trade or business. 30.1 percent of the total entrepreneurs came from families of employees in private and /or government organizations. Whose parental occupation was agriculture formed the lowest 23 percent. In Bangladesh, the studies of Rahman et al. (1979:87); Khan (1987:96); Islam & Mamun (2000:226); Rahman (2002:168); Kabir (2004:131); and Shamim (2008:17) found trade or business as the parental occupation of the major entrepreneurs. Mia (2000:163); and Ashraf & Alam (2004:40), however, observed farming as the dominating occupations of the

entrepreneurs' fathers. Thus, it is clear from the present study that the majority of the sample entrepreneurs came from non-business families, which accounted for about 54 percent. This reflects occupational mobility from service or agriculture to business.

4. Educational Qualifications of the Sample Entrepreneurs

Formal education has always been considered as an important capital of an individual in building his occupational career (Lipset & Bandix, 1989:197). A certain level of education is a must for any entrepreneur. Further, education and training can contribute towards innovations, risk-taking, and acquisition of managerial and conceptual skills and in marshalling resources for non-traditional activities (Lim, 1940:187). With regard to the educational level of the sample entrepreneurs as shown in Table 2, the present study found majority of the sample entrepreneurs (38 percent) belonging to the educational level of graduation and above. In their studies, Rahman et al. (1979:85); Nabi & Salahuddin (1989:176); Mohiuddin et al. (1998:48); Islam & Mamun (2000:226); Mia (2000:160); Karim (2001:19); Rahman (2002:168); Ashraf & Alam (2004:40); and Shamim (2008:16) observed maximum entrepreneurs had at most secondary school level education. Around 29 percent entrepreneurs, in the present study, had academic qualifications up to class ten. 17 percent small entrepreneurs crossed the secondary level, followed by 16.2 percent who had an educational attainment up to higher secondary level (Table 2). Out of the sample 400 small entrepreneurs, 63 had master's degree in different disciplines. This group dominates in the manufacturing sectors. The study, thus, witnessed that the higher educated youths of Bangladesh were gradually undertaking risky ventures instead of running after the traditional job market for employment.

5. Marital Status of the Sample Entrepreneurs

Marital status is an important social characteristic of an entrepreneur. The marital status of sample entrepreneurs as presented in Table 2 evidenced that overwhelming majority of the supported entrepreneurs (92.5 percent) were married while a small portion (7.5 percent) of small entrepreneurs was unmarried. Rahman (1999:106); Mia (2000:161); Karim (2001:19); and Shamim (2008:16) carried out their studies mostly on the married entrepreneurs. The Table also shows that more than 90 percent of the married entrepreneurs had children. Thus, it can be said that the responsibilities towards spouses and children influenced the maximum entrepreneurs under study to start and run their enterprises.

6. Number of Children of the Sample Entrepreneurs

The number of children of the entrepreneurs has also impact on the rapid growth of small enterprise performance. The entrepreneurs particularly the women entrepreneurs having large number of children are always busy with nursing their children. Table 2 portrays that about one half of the sample entrepreneurs had 2 children, followed by around 20 percent entrepreneurs with 3 children. The distribution also shows that more than three-fifth of the entrepreneurs had children not more than two. Mahiuddin et al. (1979:49); and Shamim (2008:16) in their studies also observed that most of the entrepreneurs had happy family with one or two children. Entrepreneurs constituting 18.2 percent of the sample entrepreneurs had only one child. A few percent (12.8) of the entrepreneurs had children ranging from 4 to 7. From the findings of the present study, it can be said that the maximum sample entrepreneurs had ample time to spend in their business.

7. Occupational Background of the Sample Entrepreneurs

Previous occupation is an important factor to be successful in the business. The entrepreneurs coming from the same line of business usually have ideas of risk–return characteristics of the products and their markets. Nowadays, there is increased participation of the traditionally non-trading communities in trading, manufacturing, and service rendering

enterprises. In the study, the occupation of the entrepreneurs immediately before entering present business had been taken into consideration. As evident in Table 2, the maximum 116 entrepreneurs (29 percent) of the total sample 400 entrepreneurs were completely unemployed or housewives. In his study, Shamim (2008:18) also found the similar occupational background of entrepreneurs. One- fourth of the selected entrepreneurs were engaged in different lines of business prior to entering into the present enterprises. While 24.3 percent entrepreneurs occupied themselves in the similar line of business, 17.5 percent were employed in different private and government organizations. Only 2.2 percent entrepreneurs with agricultural background made their entry into current business. It may be noticed that entrepreneurs with business background constituted a greater percent (51.3 percent).

8. Previous Business Experience of the Sample Entrepreneurs

Entrepreneurs with vast experiences in managing business are more capable of finding ways to open new business compared to employees with different career pathways (Staw, 1991). Previous experience in the respective line of business enables the entrepreneurs to acquire practical knowledge in the decision making process. Table 2 depicts that 9.5 percent entrepreneurs established their running enterprises without previous business experience. The highest percent of entrepreneurs interviewed had less than 10 years experience of homogeneous or different lines of business which accounted for 47.5 percent. The second highest percent entrepreneurs (43.0 percent), when started present business, had prior business experience of 10 years or above. The entrepreneurs under study had average business experience of 10.06 years. From the distribution of experience, it can be said that entrepreneurs with previous business experience of less than 10 years were in the best position to establish another new business unit. Noted that some of the entrepreneurs gained business experience from others' business either by working as employees or by observations and asking questions about business operations before starting their present enterprises.

Impact of Entrepreneurs' Biographic Characteristics on Small Enterprise Growth

Hypothesis Testing

H₁: Entrepreneurs' biographic characteristics (age, sex, family background, education, marital status and previous experience) have a significant positive impact on small enterprise growth.

Table 3: Biographic Characteristics of Entrepreneurs and Small Enterprise Growth

Entrepreneurs' Biographic Characteristics	Small Enterprise Growth									
	Growth in Equity		Growth in Production		Growth in Employment		Growth in Sales		Growth in Profit	
	χ ² value	P value	χ ² value	P value	χ ² value	P value	χ ² value	P value	χ ² value	P value
Age of entrepreneurs	5.211	<.10	3.893	<.10	5.063	<.10	7.216	<.05	4.662	<.10
Sex of entrepreneurs	9.800	<.01	2.877	<.10	1.026	N.S	6.874	<.01	3.138	<.10
Family background of entrepreneurs	1.169	N.S	1.730	N.S	0.082	N.S	1.277	N.S	0.089	N.S
Educational qualifications of entrepreneurs	13.498	<.01	8.105	<.05	6.274	<.10	6.875	<.10	7.312	<.07
Marital status of entrepreneurs	0.459	N.S	2.075	N.S	26.719	<.01	2.022	N.S	0.833	N.S
Previous experience of entrepreneurs	0.451	N.S	3.860	<.10	6.084	<.05	6.084	<.05	9.674	<.01

Note: N.S means not significant

Table 3 reveals the association between entrepreneurs' biographic characteristics (age, sex, family background, educational qualification, marital status, and previous business experience) and small enterprise growth measures (growth in equity capital, production, employment, sales, and profit) by using chi-square statistic. The value of chi-square statistic and p value provide support for the hypothesis that entrepreneurs' age had a significant positive impact on all growth measures.

The findings provide support for the hypothesis that the sexual status of entrepreneurs had a significant positive impact on growth in equity capital, production, sales, and profit. The results indicate that there was statistically no significant impact of entrepreneurs' sex on growth in employment, as demonstrated by p value. It is thus evident that the male dominated enterprises had more equity growth than their opposite sexual counterparts driven enterprises. The reasons behind this variation in the study might be attributed to the female entrepreneurs' lack of start-up capital, risk-taking ability, and leadership quality, family pressure, patriarchal society, etc. Entrepreneurs' family background, however, did not affect small enterprise growth significantly, as evidenced by p value.

Findings of the study confirm that entrepreneurs' educational qualifications had a significant positive impact on growth in equity capital, production, employment, sales, and profit. The selected low educated entrepreneurs usually had trading business and long business experience. The results of chi-square value and p value also indicate that the entrepreneurs' marital status had statistically no significant effect on growth in equity capital, production, sales, and profit but had a significant positive impact on employment growth at the 1 percent level of significance.

The analysis indicates that entrepreneurs' previous experience had statistically a significant positive impact on almost all growth measures except growth in equity. Thus, it is clear that inexperienced or highly experienced entrepreneurs could not achieve so much growth as the moderately experienced entrepreneurs could do. The reasons for low growth of the highly experienced entrepreneurs might be diversion of their financial supports to other projects, arrival of higher educated and affluent entrepreneurs, low demand for their products or services, outdated machineries and equipments, etc. From the preceding discussion, the hypothesis that entrepreneurs' biographic characteristics have a significant positive impact on small enterprise growth is partially accepted.

H₂: Entrepreneurs' biographic characteristics (age, number of children and previous experience) are positively correlated with small enterprise growth.

The estimated results of the correlation between entrepreneurs' biographic characteristics and small enterprise growth are presented in Table 4.

Table 4: Correlation Matrix for Entrepreneurs' Biographic Characteristics and Small Enterprise Growth

	1	2	3	4	5	6	7	8
1. Start-up Age of the entrepreneurs	1							
2. Number of children	0.259***	1						
3. Previous experience	-0.457***	0.202***	1					
4. Average growth in equity capital	0.201***	-0.03	0.058	1				
5. Average growth in production	0.229***	-0.021	0.038	0.043	1			

Table 4: Correlation Matrix for Entrepreneurs' Biographic Characteristics and Small Enterprise Growth – Contd.

	1	2	3	4	5	6	7	8
6. Average growth in employment	0.002	-0.001	0.067	0.198***	0.056	1		
7. Average growth in sale	0.003	-0.043	0	0.172***	0.096	0.268 ***	1	
8. Average growth in profit	0.078	-0.011	0.041	0.035	0.136*	0.055	0.121 **	1

*** Significant at the 0.01 level

** Significant at the 0.05 level

*Significant at the 0.10 level

Table 4 exhibits that average growth in equity capital and production is highly positively correlated with entrepreneurs' start-up age. This implies that the higher the start-up age, the higher the growth in equity capital and production. This is due to the fact that the aged person could start their enterprises usually with higher amount of start-up capital. But due to keen competition, this characteristic had no significant relationship with other growth measures. The results also reveal that enterprise growth is negatively correlated with entrepreneurs' number of children. This indicates that entrepreneurs having more the number of children could not make enterprise growth in better way. Another characteristic of the entrepreneurs which has a positive relationship with small enterprise growth is their previous business experience. Thus, the hypothesis that entrepreneurs' biographic characteristics (age, number of children and previous experience) are positively correlated with small enterprise growth is partially accepted.

Linear Regression Model Analysis

Based on the theory and assumptions, the fitted regression model has taken the general form as below:

$$\hat{Y}_i = \hat{\beta}_0 + \hat{\beta}_1 X_{1i} + \hat{\beta}_2 X_{2i} + \hat{\beta}_3 X_{3i}$$

Regression Model for Average Enterprise Growth Performance for Some Selected Biographic Variables

(i) $AGEC_i = -130721 + 11918.722 AEC_i - 29614.2 NC_i + 6073.478 PBE_i$

SE= (3044.00) (26199.18) (3445.29)

i = 1, 2, 3, --- 400. (R² =0.48)

(ii) $AGP_i = -1622626 + 53664.960 AEC_i - 221040 NC_i + 46567.306 PBE_i$

SE= (12142.17) (113144.4) (14745.19)

i = 1,2, 3, --- 162. (R² =0.12)

(iii) $AGE_i = 0.531 + .004AEC_i - .031 NC_i + .010 PBE_i$

SE= (.012) (.099) (.013)

i = 1, 2, 3,... 400. (R² =0.002)

(iv) $AGS_i = 1156471 + 12607.892 AEC_i - 273942 NC_i + 10799.871 PBE_i$

$$SE = \quad (37678.29) \quad (324290.5) \quad (42645.42)$$

$$i = 1, 2, 3, \dots, 400. \quad (R^2 = 0.002)$$

$$(v) \text{ AGPt}_i = -122219 + 6007.821 \text{ AEC}_i - 53271.1 \text{ NC}_i + 16792.842 \text{ PBE}_i$$

$$SE = \quad (4705.23) \quad (40497.12) \quad (5325.52)$$

$$i = 1, 2, 3, \dots, 400. \quad (R^2 = 0.032)$$

Where,

AGEC = Average Growth in Equity Capital

AGP = Average Growth in Production

AGE = Average Growth in Employment

AGS = Average Growth in Sales

AGPt = Average Growth in Profit

AEC = Age of Entrepreneurs at Commencement

NC = Number of Children

PBE = Previous Business Experience

SE=Standard Error

The regression model reveals that for one year change in the entrepreneurs' start-up age, the average growth in equity capital, production, employment, sales, and profit would increase by Tk.11918.72, 53664.96 units, 0.004 units, Tk.12607.89 and Tk.6007.82 respectively. If the number of children increased by 1 then the average growth in equity capital, production, employment, sales, and profit would decline by Tk.29614.2, 221040.00 units, 0.031 units, Tk.273942.00 and Tk.53271.10 respectively. Again, if the previous business experience of entrepreneurs increased by 1 year, the average growth in equity capital would increase by Tk.6073.48, 46567.31 units, 0.010 units, Tk.10799.87 and Tk.16792.84 respectively. The value of model R^2 indicates that all the explanatory variables included in a model might explain only the percent of the total variation that present in the respective average growth measure.

CONCLUSIONS

The growth of small enterprises is affected by different factors including entrepreneurs' psychological and biographic characteristics, start-up capital, age of the enterprise, type of business, extent and type of support services, business environment, government policy, etc. Based on the biographic characteristics revealed in the present study, it appears that majority of the sample entrepreneurs are young and middle aged, male, higher educated, and married who have business experience of less than ten years. Most of the entrepreneurs have hailed from non-business families reflecting occupational mobility from service or agriculture to business. Entrepreneurs' biographic characteristics except family background and marital status have an overall significant positive impact on small enterprise growth. Among the independent variables, entrepreneurs' start-up age and previous experience have positive relationships with small enterprise growth. The negative but not significant relationship between entrepreneurs' number of children and small enterprise growth implies that entrepreneurs having large number of children are busy with their children and can not make satisfactory growth. However, the overall findings of the present study help conclude that entrepreneurs' biographic

characteristics except family background and marital status play a significant role in small enterprise growth in Bangladesh.

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