



## ENTREPRENEURSHIP AND INTRAPRENEUR : A COMPARATIVE STUDY

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**ABSTRACT** Different researchers have defined an entrepreneur in their own way. From them, it can be precisely said that an entrepreneur is a risk taker, who manages/organizes scarce resources in such a way of innovation to maximize the profit and growth of a business firm. By differentiating an entrepreneur and entrepreneurship, where an entrepreneur is only a person, but an entrepreneurship is concerned with the process. By distinguishing between an entrepreneur and an intrapreneur; an entrepreneur and a manager, it is clear that intrapreneur and a manager work as an employee in a business firm/venture, where an entrepreneur is an owner. As for being a successful owner of a venture, basic needed attributes and characteristics are must be, which are risk-bearing and taking, good organizing, and innovation, optimistic and so on. Then only, an entrepreneur can run efficiently their business with a success.

### KEYWORDS :

#### Introduction

It is rightly said that entrepreneurship is the cause for an effect on an economy. Thus, Entrepreneurship development has to be concentrated first in developing countries especially. It is rightly said by Rahul Bajaj, who is a Chairman & Managing Director of Bajaj Auto, 'If we could have an entrepreneur in every family, India's economy would sky rocket. We would then be able to take our rightful place as an economic super power in the community of nations. Entrepreneurs create jobs. They create wealth. They create products and services.'

Entrepreneur generates the economic growth of an economy as an Agent, who is playing a key role in the economic development of the country. Each country desires a steady and sustainable growth in the income as well as the welfare. This growth is basically dependent on its entrepreneurs, who run the business firms by generation income and employment opportunities to remaining population of the country.

**According to Khanka (1999)**, "An Entrepreneur is an individual with knowledge, skills, initiative, drive and spirit of innovation who aims at achieving goals. An entrepreneur identifies opportunities and seizes opportunities for economic benefits. Entrepreneurship is a dynamic activity which helps the entrepreneur to bring changes in the process of production, innovation in production, new usage of materials, creator of market etc. It is a mental attitude to foresee risk and uncertainty with a view to achieve certain strong motive. It also means doing something in a new and effective manner."

**The dictionary of social science** has defined entrepreneur from functional viewpoint. According to it "entrepreneur is a person 1) who exercise the function or 2) initiating coordinating controlling or institute major change in a business enterprise and or 3) bearing those risk of operation which arise from the dynamic nature of society and imperfect knowledge of the future which can cast through transfer calculation or elimination. **Concept of Entrepreneurship Development**

**Schumpeter (1939)** describe entrepreneurship is the force of creative destruction whereby established way of doing things are destroyed by the creating of new and better ways to get things done. According to him, an innovation takes place in five different ways.

According **Khanaka**, "Entrepreneurship is a process involving various actions to be taken to establish an enterprise."

If we observe from the operational point of view, then entrepreneurship can be defined as the mixture of activities such as insight of market opportunities gaining command over scarce resources obtaining input producing and marketing of product responding to competition and maintaining relation with political administration and public bureaucracy for concession licenses and taxes etc.

Thus, Entrepreneur can be considered as an innovator, who brings out new technique to earn maximum profit; an organizer, who organizes all

factors of production; a manager, who manages the productivity level with scarce resources available to them and earns maximum profit.

#### Evolution of the concept of Entrepreneur

A term 'entrepreneur' taken from the French word 'entreprendre', it means to launch to startup any venture or business firm. The term entrepreneur has been in use for the last five centuries. With the change in a century period, the meaning of entrepreneur is also changing, which we can observe in a chronological order.

#### Evolution and Development of the Term Entrepreneur

	Stems from the French word: means between-taker or go-between.
Middle Ages	Actor and person in charge of large-scale production projects.
17th century	Person bearing risk of profit or loss in a fixed-price contract with government.
1725	Richard Cantillon says Person bearing risks are different from one supplying capital.
1803	Jean Baptiste says Separated profits of entrepreneur from profits of capital.
1876	Fransis Walker- Distinguished between those who supplied funds and received interest and those who received profit from managerial capabilities.
1934	Joseph Schumpeter says Entrepreneur is an innovator and develops untried technology.
1961	David C. McClelland says Entrepreneur is an energetic, moderate risk taker.
1964	Peter Drucker- Entrepreneur maximizes opportunities.
1975	Albert Shanero- Entrepreneur takes initiatives, organizes some social and economic mechanisms and accepts risks of failure.
1980	Karl Vesper- Entrepreneur seen differently by economists, psychologists, businesspersons and politicians.
1983	Gifford Pinchot- intrapreneur is an entrepreneur within an already established organization.
1985	Robert D. Hisrich- Entrepreneurship is the process of creating something different with value by devoting the necessary time and effort, assuming the accompanying financial, psychological and social risks and receiving the resulting rewards of monetary and personal satisfaction.
2008	National Knowledge Commission (NKC) (2008) of India, "The professional application of knowledge, skills and competencies and of monetizing a new idea, by an individual or a set of people by launching an enterprise diversifying from an existing one, thus, to pursue growth while generating wealth, employment and social good."

Source: Khanka (1999)

In the 21<sup>st</sup> century, Entrepreneurship is the fastest developing trends, which have capacity to reshape the economies and industries throughout the world. Entrepreneurs can be considered as an economic

growth generator, which are the lifelines to expand the economy through generating job opportunities, taking new initiatives, and promoting greater upswings and down swings values-chain activities. Various views and definitions have emerged with the change in the time period. But, in simple way, Entrepreneur can be considered as a risk-bearer and an organizer or a co-coordinator, who manages scarce resource with maximization of profit by applying innovation technology.

**Entrepreneur and Intrapreneur**

The term entrepreneur and intrapreneur seem or heard in similar way. But, both have different features. The difference between entrepreneur and intrapreneur can be gathered here:

Table No. 2: Difference between Entrepreneur and Intrapreneur

Difference	Entrepreneur	Intrapreneur
Independent	He is independent in his business.	He is dependent on the owner, who is an entrepreneur.
Funds/Capital	He has to raise the funds as required for the business.	Intrapreneur does not raise the funds.
Risk bearer	An entrepreneur is a risk bearer.	While Intrapreneur is not fully risk bearer.
Functions	An entrepreneur functions from outside.	While, intrapreneur functions within the business.
Direction	An entrepreneur starts his venture with a newly set up enterprise.	While, an intrapreneur begins his work after working in any others' firm.
Experience	An entrepreneur does not possess any experience, when he establishes new venture.	On the contrary, Intrapreneur is gathering experience by working in other firms, when he establishes new venture.

**Entrepreneur and Entrepreneurship**

Entrepreneur and Entrepreneurship, both terms are very next to each other but with a minor conceptual divergent line between them. According to Khanka (1999), “the term entrepreneur is often used interchangeably with entrepreneurship, yet they are conceptually different. Though, entrepreneur is an individual entity, who performs or acts or functions his qualities to run business, which is termed as an entrepreneurship. Thus, Khanka (1999) says, “Entrepreneurship is concerned with the performance and coordination of the entrepreneurial functions. Then, this also means that entrepreneur precedes entrepreneurship.”The relationship between the two is just like the two sides of the same coin”

Relationship between Entrepreneur and Entrepreneurship



Source: Khanka (1999)

**Entrepreneur and Manager**

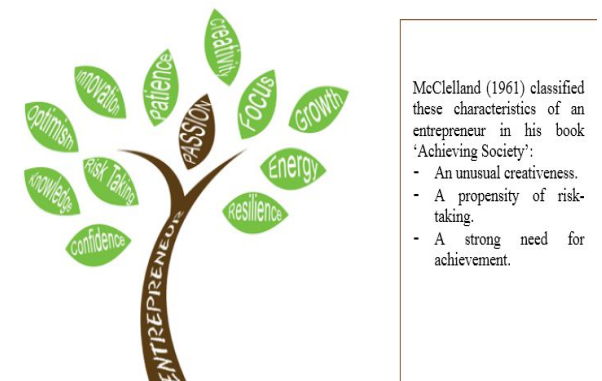
In the conceptual terms, entrepreneur and manager words seem as synonyms. However, both terms have the different explanation in an economic matter. Distinguishing some facts between An Entrepreneur and A Manager:

Difference	Entrepreneur	Manager
Objective	The main objective of an entrepreneur is to begin a business.	While, the main objective of a manager is to provide his services in an enterprise.
Position	The position of an entrepreneur is an owner of a firm.	While, the position of a manager is to serve as an employee in a firm.
Risk Bearer	As entrepreneur is a risk bearer.	A manager is not a risk bearer, because he is working as an employee.
Rewards	A reward of an entrepreneur is a profit earned.	While, a reward of a manager is in a form of salary as he provides services.
Innovation	An entrepreneur is working as an innovator.	But, a manager is practicing the innovating decision of an entrepreneur.
Skills	An entrepreneur needs to have the skills and qualifications like long forecasting thinking, risk bearing and so on.	On the contrary, a manager needs to have distinct qualifications in terms of management theory and practice.

**Attributes and Characteristics of a Successful Entrepreneur**

Entrepreneur is slightly distinct matter from the manager or an entrepreneur and entrepreneurship in terms of functioning. Entrepreneur is considered as an owner of the business firm, where he is the only risk bearer, introduces innovation, forecast thinking, skills and knowledge for optimistic approach, and focusing on growth of firm and profit level etc. These are the basic attributes of an entrepreneur, who wants to be a successful. The branch characteristics of a tree named as an entrepreneur can be easily understand by this figure:

Figure No.2: Characteristics of A Successful Entrepreneur



Various studies have been done for identification of the attributes and characteristics of a successful entrepreneur.

One another illustration from fifty research studies revealed by Timmons and Spinelli (2009) that successful entrepreneurial attributes are:

- Total commitment, determination and perseverance.
- Drive to achieve and grow.
- Opportunity and goal orientation.
- Taking initiatives and personal responsibility.
- Persistent problem- solving.
- Realism and a sense of humor.
- Seeking and using feedback.
- Internal locus of control.
- Calculated risk taking and risk seeking.
- Low need for status and power.
- Integrity and reliability.

Characteristics of a successful entrepreneur are:

Table No. 3: Difference between Entrepreneur and Manager

1. Risk-taker and Risk-bearer
2. Efficient Hard-work
3. Desire for High Goals
4. Highly Optimistic
5. Non-dependency
6. Future Foresight
7. Creative/ Innovative
8. Team spirit
9. Good Organizer