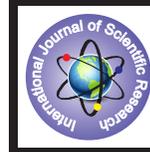


## Entrepreneur- An Asset of a Nation



### Entrepreneur

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### ABSTRACT

*Entrepreneur is always an asset of a nation. The growing economic system like India always need entrepreneurs who join their hands in making the national economy grow in a rapid phase by investing capital, providing employment, providing market for raw materials, improving exports of a country and thereby increasing foreign exchange, improving the per capita income of a country etc... This paper briefs out our study in the field of entrepreneurship development and management specially the role of entrepreneurship in the growth of a nation.*

### INTRODUCTION

What makes entrepreneurs successful? Is it skill or luck? Knight argues that an important component of entrepreneurship is the willingness of the "venturesome to 'assume' or 'insure' the doubtful and timid by guaranteeing to the latter a specified income in return for an assignment of the actual results." In this view, luck is a big determinant of entrepreneurial success. According to Kihlstrom and Laffont (1979), luck is the *only* determinant of entrepreneurial success: in their model entrepreneurs are simply less risk averse individuals who are willing to guarantee workers' wages and bear residual risk. Schumpeter (1934, p. 137) argues just the opposite, claiming that "the entrepreneur is never the risk bearer," but rather an innovator, one who discovers new production processes, finds new markets, creates new types of organizations, or introduces new products. Entrepreneurial success, in this view, flows from innovative skill. Only suppliers of capital bear risk.

Spurred by advances in information technology, life sciences, and globalization of capital markets, the potential for translating technological innovation into new business creation has never been greater (Ahn and Meeks, 2007; McKinsey, 2004; MoRST, 2008; NZVCA, 2007; Angra et al., 2008). In the quest for global competitive advantage and increased standards of living, governments in many countries have sought to enhance competitiveness by investing in basic research and early stage product development to enhance investment readiness (Moore, 2002), as well as increase entrepreneurial growth to spur economic growth (Shane, 2002). Such policies have taken many forms including research and development tax credits, grants to universities and research institutes, matching angel and venture capital funds, and incubators to spur entrepreneurial activity (Da Rin et al., 2006; Keuschnigg and Nielsen, 2001, 2003; Porter, 1990, 1998, 2000; Solow, 1956, 1957). This brings into focus questions about the national and local ecosystems that support innovation, and the organisational policies and practices of universities and CRIs (Crown Research Institutes) that encourage technology transfer and commercialisation. [1]

### LITERATURE REVIEW

Mark J. Ahn et al., [1] in their work states that, Two-thirds of New Zealand's intellectual property and scientific publications come from universities and research institutes, so improving the commercialization of innovations developed in these institutions is important due to its potentially significant economic impact. Using a blend of institutional theory and the resource-based view of competitiveness, they explored the views of New Zealand's scientific community concerning the role of innovation in economic development, as well as perceptions of the strategies, structures and performance of the technology transfer offices that are mandated to encourage and facilitate commercialization. They found a consensus about the potential of innovation to spur New Zealand's economic development, there was a wide diversity of opinion about what sectors should be targeted and

how commercialization should be organized, coordinated and improved. They concluded that companies face high transaction costs when trying to effectively access and commercialize innovations developed by universities and research institutes given the broad array of organizational capabilities, objectives, approaches and measures utilized by the latter's technology transfer offices (TTOs). For policy makers, our findings suggest that a uniform approach to measuring the effectiveness of TTOs may help align missions, reduce transaction costs, and enhance the effectiveness of commercialization strategies and practices.

Paul Gompers et al., [2] argues that a large component of success in entrepreneurship and venture capital can be attributed to skill. They show that entrepreneurs with a track record of success are more likely to succeed than first time entrepreneurs and those who have previously failed. Funding by more experienced venture capital firms enhances the chance of success, but only for entrepreneurs without a successful track record. Similarly, more experienced venture capitalists are able to identify and invest in first time entrepreneurs who are more likely to become serial entrepreneurs. Investments by venture capitalists in successful serial entrepreneurs generate higher returns for their venture capital investors.

Dima Jamali Purpose [3] examined the interplay of constraints and opportunities affecting female entrepreneurship in developing countries, integrated salient micro- and macro-level perspectives and provides a rounded account of opportunities and constraints as part of a holistic interdependent system. She adopted an integrative multi-level research design and an interpretive research methodology, capitalizing on in-depth interviews with ten women entrepreneurs to explore their perceptions and interpretations of constraints and opportunities facing female entrepreneurship in the Lebanese context. The authors clearly illustrate the relevance of micro-, meso-, and macro-level factors in entrepreneurship research and the usefulness of integrating multiple lenses and units of analysis to capture the complexity of the women entrepreneurship experience in any particular context.

Ayala Malach Pines et al., [4] reviews studies on gender differences in entrepreneurship, focusing on 2007 and 2008 Global Entrepreneurship Monitor (GEM) studies that examined the rates of entrepreneurship in 43 countries. The data show that in all 43 countries, the rates of women's entrepreneurship are lower than men's. Furthermore, the percent of women entrepreneurs is higher in countries where the general income per capita is small and where women have no other option for making a living. The author explained as a result of the difference between "necessity" and "opportunity" entrepreneurship, with necessity entrepreneurship found to be more prevalent among women in poor countries, thus pointing to the role played by inequality and exclusion in women's entrepreneurial inferiority.

### ENTREPRENEURSHIP DEVELOPMENT

Innovation and entrepreneurship are the key factors for high economic performance in a competitive economy like today's. The unprecedented and accelerated economic growth in the past decades has to a large extent taken place in and was spurred on by the information and telecommunications. In other sectors the development is a bit less as compared to the earlier one. This is because of the fact that the entrepreneurship will be developed through the advanced knowledge about the technology and application of the knowledge to make money using which the economy could be materialized. However, the fruits of the modern knowledge economy are not equally spread over all regions, but exhibit a clear regional and local differentiation as observed in economy like India. The spatial dimensions of innovation, production and knowledge dissemination have become an important field of study as there is a presence of large youth population in the country. Youth in any country will be usually attracted towards latest technology and thereby are ready to invest in technology like latest mobile phone.

This can be well evidenced with the case of micromax as a case study. This producer of mobile handsets which was born and bought up in India (a growing economy) manufactured basic mobile handsets which tackled the rural market in India now began competition with the well-established mobile handset provider called Samsung. In this case we can see a major change accepted by the Indian economy about the brand without any compromise in the technology or other facilities provided by the smart phone. This in turn decreased the import of such mobile phones a bit which is very much essential for the growth of economy of the country.

Ragam theatre [5] was an upmarket multiplex with three cinema screens and other ancillary facilities. It was run by Mr Ram Kumar and managed by Mr Satish and Mr Raveen, besides 150 employees and supervisors. Ragam employees worked quite hard and were given an annual bonus which varies from 5 to 8%. The employees had been demanding an increase but the management would not be convinced. In this case study, we can encounter two problems. The first problem is employing 150 odd people who are surplus for a multiplex with three screens. If technology is used in an effective manner and a reduction in number of employees. There comes the efficiency of an entrepreneur. Thus technology is an evident factor which can give entrepreneurs a high growth and financial advancement.

Lijjat was the brain child of seven Gujarati women from Bombay (now Mumbai). The women lived in Lohana Niwas, a group of five buildings in Girgaum. They wanted to start a venture to create a sustainable livelihood using the only skill they had i.e. cooking. The seven women were Jaswantiben, Jamnadas Popat, Parvatiben Ramdas Thodani, Ujamben Naran-

das Kundalia, Banuben. N. Tanna, Laguben Amritlar Gokani, Jayabhen V. Vithalani, and one more lady whose name is not known.

The women borrowed Rs 80 from Chhaganlal Karamsi Parekh, a member of the Servants of India Society and a social worker. They took over a loss-making papad making venture by one Laxmidasbhai<sup>[1]</sup> and bought the necessary ingredients and the basic infrastructure required to manufacture papads. On 15 March 1959, they gathered on the terrace of their building and started with the production of 4 packets of Papads. They started selling the papads to a known merchant in Bhuleshwar. From the beginning, the women had decided that they would not approach anyone for donations or help, even if the organisation incurred losses. The main factor for this advent is the motivation and dedication with the woman to leave a mark of her presence in the world. This is the major reason for advent of an entrepreneur.

The **Godrej Group** is an Indian conglomerate headquartered in Mumbai, Maharashtra, India, managed and largely owned by the Godrej family. It was founded by Ardeshir Godrej and Pirojsha Godrej in 1897, and operates in sectors as diverse as real estate, consumer products, industrial engineering, appliances, furniture, security and agricultural products. Subsidiaries and affiliated companies include Godrej Industries and its subsidiaries Godrej Consumer Products, Godrej Agrovet, and Godrej Properties, as well as the private holding company Godrej & Boyce. It was an astonishing factor to know that the founders of the Godrej group were the road side lock and key vendors in their beginning days and were dedicated to establish an industry like Godrej. The fact that has to be observed here is that they are small roadside vendors and it is difficult for them to earn their daily bread. But such a noble thought made them to come up in life. Not only making money is important for an entrepreneur but also the vision.

### CONCLUSION

This paper briefs out our study in the field of entrepreneurship development and management specially the role of entrepreneurship in the growth of a nation. The paper discusses case studies which illustrate the role of entrepreneur in the growth of countries' economy. Entrepreneur is always an asset of a nation. The growing economic system like India always needs entrepreneurs who join their hands in making the national economy grow in a rapid phase by investing capital, providing employment, providing market for raw materials, improving exports of a country and thereby increasing foreign exchange, improving the per capita income of a country etc..

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