



Entrepreneurship:- Concepts, Process and Perspective

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ABSTRACT

In both developed and developing countries, the government is turning to entrepreneurs and it's development, as a means of economic development and a veritable means of solving problems. It is a seedbed of innovations, inventions and employment. Entrepreneurship is as old as India and had contributed to the growth of the economy. There are various factors responsible for the entrepreneurial success at the grass root level. Many of the authors and researchers are of the view that the success of an enterprise largely depends on the orientation of an entrepreneur in the family towards business. This papers aims to contribute to a better understanding of the concept of entrepreneurship, what made to distinguishes between entrepreneur, capitalist and manager. Clearly this paper focused on what types of institution supported to develop the entrepreneurship ability and potentiality and simplified the models of entrepreneurship; finally it analyzed the qualities of a successful entrepreneur.

Keywords : Concept of Entrepreneurship, Process, Models, Institution, success of entrepreneur.

1. Concept of Entrepreneurship

Appropriate action to ensure "success" There is no universally accepted definition of entrepreneurship. The concept of "entrepreneurship" is elusive, difficult to define, measure and therefore, promote. The concept of "entrepreneurship" may be applied broadly or in a narrow, focused way depending on the context. "Enterprise" and "entrepreneurship" can have a range of meanings in different contexts denoting a mindset or type of behaviour (entrepreneurial behaviour) in the broadest sense or equated with a small business undertaking in the narrow sense. Entrepreneurship has typically been referred to as an action, process, or activity, in which innovation plays a significant role. The recent Green Paper on Entrepreneurship in Europe by the European Commission (2003b, p.6) defines it as follows: "Entrepreneurship is the mindset and process to create and develop economic activity by building risk-taking, creativity and/or innovation with sound management, within a new or an existing organization". Encyclopedia Britannica defines entrepreneur as "An individual who bears the risk of operating a business in the face of uncertainty about the future conditions." According to ILO "Entrepreneurs are the people who have the ability to see and evaluate business opportunities; together with the necessary resources to take advantages of them; and to intimate

2. Distinguishes between Entrepreneur, Capitalist and Manager.

The essence of the modern firm lies in the specialization of functions. "The businessmen" that manage economic activity are, in the strictest sense, both managers and entrepreneurs, the latter in a double sense: the individual businessman (independent) and the "corporate entrepreneur" who, without participating significantly in terms of capital, controls the firm.

Studying business capabilities requires the differentiation between the functions of entrepreneur, manager and capitalist, although in many cases; the same person may perform all three (Table 1).

The individual entrepreneur detects or creates business opportunities that he or she then exploits through small and medium-sized firms, normally participating in funding the capital for that firm, carries out the role of arbitrator, or simply "sells the idea" of the business project. The "corporate entrepreneur" or the chief executive of large firms must also be considered. This figure is no longer limited to efficiently managing the firm's assets and coordinating and controlling its activities. He or she must anticipate, articulate and manage change. In other words, corporate entrepreneurs must reinvent the firm on a daily basis, creating new enterprise (spin-offs) and developing company networks. When discussing the figure of the corporate entrepreneur, one must also consider the key share holders that take an active part in the firm, along with ma that share in making up the firm's basic competences.

However, the manager's function is first and foremost to supervise the process of combining resources, and efficiently manage the firm's business portfolio. They have a key function when, as is normally the case, firms do not operate efficiently (Leibenstein, 1979)¹, and instead are a long way short of their production boundaries. A second but fundamental task of the manager is to build up a reputation and an atmosphere of trust that transforms a conflictive system (individuals with conflicting objectives) into a system of cooperation. Managers should create a climate of trust so that employees will not tend towards opportunist behaviour, even when it suits their short-term interests, as well as achieving a greater degree of efficiency by reducing supervision and agency costs.

Table-1

	Entrepreneur	Capitalist	Manager
Characteristics	Discovers and exploits opportunities A creator who initiates and motivates the process of change	Capital owner: shareholders Controlling shareholder Passive shareholder	Administrates and manages resources An administrator

Behaviour	Accepts risks Uses intuition, is alert, explores new business Leadership, initiates new ways of acting Identifies business opportunities Creation of new firms	Risk averse Assesses alternatives Choice of venture assets	Risk averse "Rational" decision-maker Exploits business Creates and maintains competitive advantage Creates trust to enhance cooperation Supervision of the administrative process
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Finally, the capitalist is the provider of the firm's funds, either in the form of a passive shareholder (in the case of small shareholders or institutional investors) or as a majority or active shareholder who, in many small and medium-sized firms, assumes both the entrepreneurial and managerial functions. The creation of a country's wealth and dynamism depends upon the competitiveness of its firms and this, in turn, relies fundamentally on the capabilities of its entrepreneurs and managers.

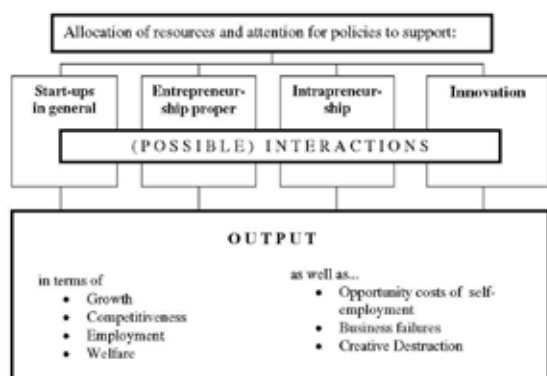
3. Entrepreneurship in Context

Allocating resources and more, interesting policy issues pertain to the interaction between them. For example, inventors may come up with great ideas which they cannot – or do not wish to – commercialize themselves. At the same time, they may be

reluctant to pass on these ideas to established firms with the technological skills, marketing knowledge and management competencies to realize them for fear of having their ideas "stolen". Transaction costs are high in these markets.

4. Institutional Support for Entrepreneurship Development in India

Generally bankers and Government agencies believe that the borrower must be possessing requisite entrepreneurial competencies. Fact is that this subject is never seriously included in any school/college curricula. That is why we observe almost all the graduates (even engineering graduates) running to search a job after completion of their education and hesitate to set up a n enterprise. In fact, not only new entrepreneurs but also existing entrepreneurs need continuous education/training to enhance their entrepreneurial competencies and skills. Recognizing this need, the Central Government and several State Governments have setup various training institutes which are engaged in providing entrepreneurship development trainings, in addition to technical training and other rendering other services. Given below is a list of such institutes. The bankers should make all efforts to ensure that their borrowers are made aware of these facilities and get training from time to time.



(The policy context of entrepreneurship)

Name of Institute	Place	Activities
National Institute of Small Industry Extension and Training (NISJET)	Hyderabad	Training, research and consultancy services
Indian Institute of Entrepreneurship	Guwahati	Training, research and consultancy services
National Institute of Entrepreneurship and Small Business Development (NIESBUD)	New Delhi	Coordinating and overseeing activities of various institutes / agencies engaged in entrepreneurship development
Integrated Training Centre (Industries)	Nilokheri	Conducts EDP course
Institute for Design of Electrical Measuring Instruments (IDEMI)	Mumbai	Render services to the instrumentation industry
Central Institute of Hand Tools	Jalandhar	Aims at rapid growth of the hand tool sector
Hand Tool Design Development and Training Centre	Nagaur	Assistance for improvement in productivity, betterment in quality, high value addition
Central Tool Room	Ludhiana	Provides services in the area of consultancy, tool design and manufacture and technical training
Central Tool Room and Training Centre	Kolkata	Training, design and manufacture of complicated precision tools for the telecom industry and other common facility services
Central Institute of Tool Design (CITD)	Hyderabad	Training, CAD/CAM centre to train post-graduate trainees, automatic process control unit, and so on
Product-cum-Process Development Centre for Sports Goods	Meerut	Training, process and product development of sports goods, R & D
Product-cum-Process Development Centre for Essential Oils	Kannauj	Modernise and upgrade technology status for the essential oils and perfumery industry
Product-cum-Process Development Centre	Agra	Provide better technology to small-scale foundry and forging units, process and product development, and provision of design for melting equipment, testing facilities
Electronic Service and Training Centre	Ramnagar	Training, technical and consultancy services
Centre for the improvement of Glass industry	Firozabad	Development and adoption of new technologies and products
National Small Industries Corporation	New Delhi	Supply of machinery, marketing assistance, training

Some other organizations engaged in training and Development of SME Entrepreneurs are:

- Indo-German Tool Room at Ahmedabad, Aurangabad and Indore
- Indo-Danish Tool Room at Jamshedpur
- Hand Tool Design , Development and Training Centre, Nagore, Rajasthan
- Central Machine Tool Institute at Bangalore
- Central Institute of Plastic s Engineering and Tools at Chennai & Ahmedabad
- National Institute of Foundry and Forge Technology at Ranchi
- DICs at District level Small Industries Development Corporations set up by various State Governments.

5. MODELS FOR ENTREPRENEURSHIP

A model of the factors motivating the entrepreneurial process was achieved by Shane et al. (2003)². To establish the link between personality factors influence on entrepreneurship intention many studies of 'entrepreneurship intention' often used 'behavioral intention' models. Many models have been further used to explain the behavioral intention. Shapero's (1982)³ propounded "Entrepreneurial Event" model which is similar to Ajzen's (1991)⁴ "Theory of Planned Behaviour" model (Nabi and Holden, 2008)⁵. The model has mentioned three components of entrepreneurship intention in Shapero's model. These factors are mentioned as perceived desirability, perceived feasibility and a propensity to act. The perceived desirability indicates the attractiveness to start up a business (i.e lack of personal desire) (Krueger, 1993)⁶. Perceived feasibility, on the other hand, indicates the degree an individual feels that he/she is capable in starting a business (e.g: lack of finance or entrepreneurs" skills) (Krueger, 1993). The propensity to act indicates the individual's willingness to act on decisions (i.e to actually start up) (Nabi and Holden, 2008)

Muriel Orhan, Don Scott, (2001)⁷ identified a number of situations that relate to women's decisions to become entrepreneurs, namely "dynastic compliance", "no other choice", "entrepreneurship by chance", "natural succession", "forced entrepreneurship", "informed entrepreneur" and "pure entrepreneur".

Various researches have come up with varied observations on motivational factors as), other pull motivations relate to motivations such as:

1. Independence and willingness to be free of any control or to become one's own boss; Carter et al. (2003)⁸
2. Recognition and gain of acceptance and appreciation by other people (Nelson, 1968)⁹;
3. Self-realization, achievement of the entrepreneurial goals (Fischer, Reuber, and Dyke, 1993)¹⁰;
4. Financial incentives, the desire to gain more and achieve financial success (Birley and Westhead, 1994)¹¹.

6. Qualities of a Successful Entrepreneur

6.1) Initiative- In the world of business, opportunities come and go. An entrepreneur has to be a man of action. He should be able to initiate action and take advantage of opportunity. Once you miss the opportunity it will not come again. Therefore, initiative on the part of entrepreneur is a must.

6.2) Willingness to assume risk-In any business there is an element of risk. It implies that a businessman may be successful or unsuccessful. In other words it is not necessary that every business shall earn profit. This deters individuals to take up business. However, an entrepreneur always volunteers to take risks to run a business and be successful.

6.3) Ability to learn from experience-An entrepreneur may commit mistakes. However, once an error is committed, it should not be repeated as that will lead to heavy losses. So, one should learn from his mistakes. An entrepreneur, therefore, should have the ability to learn from experience.

6.4) Motivation- Motivation is key to success. This is necessary for success in every walk of life. Once you get motivated to do something you will not rest unless you complete it. For example,

sometimes you become so much interested in reading a story or a novel that you do not sleep unless you complete it. This kind of interest in the work comes through motivation. This is an essential quality of a successful entrepreneur.

6.5) Self-confidence-For achieving success in life, one should have confidence in himself or herself. A person who lacks confidence can neither do any work himself nor can inspire others to work. Self confidence reflected in courage, enthusiasm and the ability to lead. A successful entrepreneur must have self-confidence.

6.6) Orientation towards hard work-There is no substitute for hard work in life. While running a business, everyday, one problem or the other may arise. The businessman has to be vigilant about it and solve it as early as possible. This requires hard work on the part of entrepreneur. He cannot afford to say that now office time is over and I will not work. In some situations he may even have to work for the whole night. Thus, orientation towards hard work is the secret of success of an entrepreneur.

6.7) Decision making ability- In running an enterprise, the entrepreneur has to take a number of decisions. He should therefore be capable of taking suitable and timely decision. In other words he must take right decision at the right time. In the present world things move very fast. If an entrepreneur does not have the ability to take timely decision, he might miss opportunity and incur loss.

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