



ORIGINAL RESEARCH PAPER

Management

Entrepreneurship: Literature Research Analysis

KEY WORDS: Entrepreneurial Skills, Judgemental Process, Role Approach, Social-Entrepreneurs, Trait Approach,

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ABSTRACT

Entrepreneurs play vital role for developing countries. Economic development & entrepreneurship highly positive correlation. These pragmatic peoples are driven by many forces, for example independence, need for achievement, innovation & creativity etc. There are so much studies on entrepreneurship, but everyone is different from one another, one deals with role approach and another set of personality & characteristics. Recently studies focused on business decision making process known as judgmental decision or administrative decisions etc. In this paper, facts from different researches and studies on entrepreneurship are analysed. Entrepreneur abilities & set of traits required are discussed on the basis of available literature.

Introduction: developing countries are in state of betterment by developing & encouraging new inventions and creating economic values by pragmatic people, known as entrepreneurs. They are looking ahead from local market to surplus and outward looking economy globally. Entrepreneurship is powerful engine for developing countries to create the surplus for economic and social development and improvement in the quality of work life and social standards by gaining earning in the form of wages, interest, rent, profit etc. entrepreneurship and economic development of a nation positively correlated with each other(Dejordin,2000). They have potential to explore the new opportunities and to develop the countries into the global economy.

Entrepreneurs are those persons who are innovative, risk taker and co-ordinate all the means of production to create the economic value of the product, value of the wages, capital, interest ,rent which he pays as well as the profit belonging to himself(Say, 1816).

Mill (1840) articulated that entrepreneurship is supervision, risk taking and full control and responsibility as a owner-manager.

We can't define entrepreneurship only on the basis of opportunities capture but it includes unification of all resources and strategy to harvest the long term benefits. Entrepreneurs should have judgemental function means decision making ability as a administrative. Risk is essential part of entrepreneurs (Oxfeldt, 1943 and Cole 1959).

Entrepreneurs play their role as an agent of change. Entrepreneurs are job creators and generate employment opportunities for work force and create a variety of products and services to raise the level of consumers. Employees earn in the form of salary and wages and pay taxes to government. By collection of tax, government can perform his duty for the welfare of the state. Primary and secondary sectors of the economy are boosted by providing new opportunities and to diversify the existing profession.

Two basic elements, innovation and knowledge play important role in entrepreneurship. Innovation are discussed as creating new ideas, development of new product or service at various levels, it may be at the project level, industry or regional level(Christenson,1997). It may be considered as implementation of creative ideas in a successful manner(Ambile 1996)to boost the potential and effectiveness and prosperity of a nation(Porter, 1996; Harrison and Huntinghton, 2000). Glyan (1996) explains that innovation has two phase, one is invention and second is implementation. Innovativeness of a entrepreneurs shows his tendency to cope-up with the changing environment by developing new ideas, novelty and creative process(Lumpkin and Dass, 1996).

Innovation is defined as the ability to invent the new business ideas

for creating value by offering new products or service or both, adopting new operating strategy , creating new skill etc. (Schumpeter, 1947).

Knowledge is also a pivot element in entrepreneurship development. Knowledge management is defined as the ability to start up and increase the business and generating competitive advantages such as lowering cost and developing employment etc, to enhance the strength of business (Skyrme and Arnindan, 1997). Knowledge based enterprise and firms have innovative capacity that plays an important role to exploit the new opportunities and cope-up with changes(Kaya and Patton, 2011). Entrepreneurs identify the new opportunities and recognize the value of this and acquire more knowledge experts. Resources based view of the firm can create competitive advantages (Barney, 1991). Knowledge has the greatest ability for sustainable development of a successful business (Mc Evily and Chakravarthy, 2002).

Concept of entrepreneur and entrepreneurship:

Entrepreneurship is derived from "ENTREPRENDRE" that is French word. J.S.Mill popularized this term in England(Paidi,2006). After the long time period , a commonly accepted definition of entrepreneurship has failed to emerge. Contemporary literature considers entrepreneurship as judgmental decision making process about scarce resources allocation under uncertainty (Casson,1991;Casson and Godley,2000). Activities and functions of entrepreneurs may be productive or unproductive or destructive activities.

In simple words entrepreneurship is a process which organise from idea invention to product or service development to create economic value by allocation scarce resources of production to gaining the benefits.

Entrepreneurs are those persons who are engaged in economic activities as initiator and risk taker to create economic value.

Objectives of the study:

- (i) To differentiate entrepreneurship and entrepreneur.
- (ii) To know entrepreneurial abilities.
- (iii) To study emerging focus in entrepreneurship researches .
- (iv) To check general overview of Indian entrepreneurs and problems faced by them.

Research Methodology:

This paper focus on descriptive research. Secondary data was used to draw the conclusion & collection facts on the basis of observation from existing literature on entrepreneurship. Research articles from different journals, newspaper and other agencies were used.

Historical Time Line of Entrepreneurship

Time Line	Entrepreneurs Referred as	Role of Entrepreneur	Result
Earliest period (618-906AD)	'Trader' is viewed like an intermediary between manufacturer and consumers	'Stock and Sell'. Borrowed money from shroffs to stock goods and sell the same at profit to consumers.	Moneylenders demand share in profit. Trader did not profit but was profiteered.
Middle Ages	'Constructor'- of palaces, forts etc.	'Arrange and execute'. Arranged for labours and managed logistic needs.	Rewards were uncertain and unknown, it was at the discretion of kings.
14th Century	'Agent'	Collection tax on behalf of state.	Reward, if taxes were in excess of auction fees.
17th Century	'trader cum contacted supplier'	Individual contracted to supply the material to the state authorities at fixed price.	Reward if supplies were managed at a price lower than contract price.
18th Century	'Manufacturer'	Inventions were commercialized.	Specialization speed in and local modes of production grew sophisticated.
19th and 20th Century	'Innovator'	A transformer of resources into unforeseen products.	Introduced new products, new technology or new market.
21st Century	'Social Entrepreneur'	Addressed the social issues along with function of business entrepreneur.	Viewed as strong and significant force for social transformation.

(Source: Adapted from: Kedia, 2008)

Studies on entrepreneurship

Entrepreneurship has different perspectives in different field and of subjects education branches (Cassid and Pepelas,2005). Study of entrepreneurship adopt two approaches to analysis the entrepreneurs. One is functional approach and second is trait approach. Functional approach analysis the role played by an entrepreneurs within the economy and trait approach considers the set of individual personal traits(Gartner, 1988).

Schumpeter (1934) articulated in his seminal article that entrepreneurship is a key functioning through which the economy is developed. After that recent attention focused on entrepreneurs themselves i.e. the role of entrepreneurs (Bhidd,2000), reason for becoming an entrepreneur(Bygrave, 1989). It included sociological and psychological perspectives. After that research focused on entrepreneurial management process i.e. organizational life cycles (Quinn and Cameron, 1983)

Schumpeter is work on entrepreneurship is inspirational empirical research on entrepreneurial behaviour & provides creative entrepreneurs charismatic leadership which inspires to firms and themselves(Gick, 2002; Ripsas, 1998; Aldrich, 2005; Witt, 1998; Langolis, 1998).

In economic theory 'entrepreneur' was considered as an organizer, risk taker, coordinator, arbitrator, innovator and business manager (Say,1821; Schumpeter, 1942; Cantillon, 1755; Kirzne,1973). Neoclassical economist considered the role of an entrepreneur to optimize the problems under disequilibrium by high risk propensity(Schultz,1980; Baumol,1968; Bianchi,2005; Becker,1965; Gifford,2003). Further the consider the role of entrepreneur to develop 'Human Capital'.

Indian research on entrepreneurship

In recent years, study of entrepreneurship drew the attention of all academicians and research scholars. The Indian research on

entrepreneurs studied successful entrepreneurs, socio-economic background affect, characteristics, potential etc. In a document report by EDII, Indian research works explored. Tripathi(1970),Bhatia (1974), Sharma(1976) focused on basic factors related with entrepreneurship development likes as socio-economic background, family and culture status and problems faced by Indian entrepreneurs.

The main outcome of research work cleared that entrepreneurs are risk taker, hard worker and initiator. Need for achievement, power and independence drive their inner strength to take the initiative as an entrepreneur(Nandy, 1973). Lack of proper information, they face so many problems(Bhatia,1974). Unemployment and higher education created interest to start independent business(Desh Pande, 1982). Mainly research work related with women entrepreneurship & rural entrepreneurship reflects the real images of development & problems associated with rural entrepreneurship.

To develop a nation like India , rural entrepreneurship can play pivotal role and can overcome the problems of unemployment, poverty and backwardness etc. Sauer (1986) articulated that rural development means encouragement of farm related industry. Government can provide technical and other infrastructure support to these entrepreneurs. Establishment of new organizations that operate in rural environment and create economic value in terms of a new product or service or both (Wortman, 1990). Rural entrepreneurship may reduce pressure on agriculture and generate employment on large scale for community(Bhatt, 2005). Mahatma Gandhi also opposed the heavy machinery establishment in industries because it can boost productivity but can't generate employment opportunities. He promoted 'Charkha' and advocated rural entrepreneurship by self employment (Siddiqui, 2003). Productivity in agriculture sector may be boosted by Agripreneurship (Siddiqui,2003; Singh and Krishi, 1994; Verma and Thakur, 2005).

Indian research studies those factors that may affect the rural entrepreneurs like risk taking (Mathai, 1979), effect of culture issues (Vyakarnam and Fifer, 1991), push and pull factors for rural entrepreneur (Tovo, 1991;nPai Parandiker and Sud, 1986), evaluation studies of rural entrepreneurship (Tripathi et al; 1985). Many government , semi-govt. and non-govt. organization are working to develop the rural entrepreneurship. Govt. introduced Prime Minister Rozgar Yojna (PMRY), Training of Rural Youth for Self Employment (TRYSEM), Jawahar Rozgar Yojna (JRY) ,Jawahar Gram Samridhi Yojna (JGSY) and Integrated Rural Development Programme (IRDp) to boost the entrepreneurial qualities (Bhatt, 2005).

Many NGOs like National Alliance of Young Entrepreneurs (NAYE), Self employment of Kolkatta and Rural Development Self Training Institute supported to develop and implement the programme. Anand Milk Union Ltd. (AMUL), Primary Agriculture Credit Societies(PACs), Indian Fertilizer of Farmer Co-operation (IFFCO) and Krishak Bharati Cooperatives Ltd. (KRIBCHO) etc. Are playing appreciative role (Verma and Gupta, 2005). Rural entrepreneurship face financial , technical, family, socio-economic problems (Verma and Thakur, 2005). Rural entrepreneur are not getting proper benefits of govt. schemes and not supported by family. There is no proper database of rural entrepreneurship.

New Focus: presently the research on entrepreneurship do not study of entrepreneur, it also includes the whole process and environmental factors in which they operate, i.e. strategic entrepreneurship (Shan, 1990; Stevenson and Jarillo, 1990; Hitt et al. , 2001). It made broder sense of entrepreneurship.

Technopreneurship: By invention, modification to launch a new pattern to production or old one in a new way is the function of entrepreneurship (Schumpeter, 1976). Since 1980, knowledge and innovations based organizations has increased the importance of innovations in the economy (Camagni,1995; Feldman, 1994;

Malmber, 1997). It is the implementations of scientific and technical knowledge at work place. Technopreneurs create value through invention or modification of a technique. In 1982, Gol established National Science and Technology Entrepreneurship Development Board (NSTEDB). STEPs and EDCs were developed.

Social Entrepreneurship: in 1980, Bill Drayton of Ashoka coined the term of 'Social Entrepreneurship'. These entrepreneurs considered as an innovative way to tackle the social- economic needs (Leadbeater, 1997; Mulgan and Landy, 1995). Many communities voluntary and public organizations as well as NGOs are playing vital role. In 21st Century when philanthropic policy was adopted for the welfare of employees (Eleaner and Carter, 2004).

Funding: Pardon (2007) articulated that financing of a business depends on the type of business establishment, entrepreneur's ability and capabilities. In India, many companies use internal and external sources of funds. At the initiation stage, small entrepreneurs acquire funds from friends and relatives and for further enhancement of business, they borrow from financial institutions, these institutions may public or private. Financial leverage is used to run the business(Pardon, 2007; Mayer, 2002). In india state banks, private banks and co-operative banks help to provide credit (Basu and Srivastav, 2005). Several agencies like NABARD, IDBI, LABs and SIDBI are providing finance to entrepreneurs(Paidi, 2006). Government launched various schemes for facilitating to rural entrepreneurs (Sonne, 2010).

Drawbacks for entrepreneurs: in poor and developing countries every individual compare himself with an employee, he is less happy as compare to employee(Blanchflowewr and Oswald, 1998, Graham, 2005). Negative attitude, lack of support from family, culture status also play role as barriers. In poor countries business is run by necessity at local level not with will to create a business entity (Bosma et al. 2008). Slow economic growth, rapid competition, high poverty and failure of financial institutions to implement programme . people borrow loans from local moneylenders to meet the social requirements and not to start a business.

Conclusion:

Literary work on entrepreneurship studies can be classified into definition level, role of entrepreneurs, factors analysis in which they operate etc. Economists, Psychologists and Sociologists have different thought and contribution to research on entrepreneurship. Indian researcher focused on rural entrepreneurship & problems associated with them. Finally, we can say that entrepreneurs are risk taker, initiator and manger-owner who work for contribution to economy, by creating economic value through proper utilizations of resources. Government is providing supporting facilitations to develop entrepreneurship.

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