Entrepreneurship an Aspect

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Abstract

Concurring to some researcher’s ideas; Entrepreneurship as the avocation of a discontinuous opportunity demanding the creation of an organization with the anticipation of creating value for participants. And accompaniments his argument by putting forward that the new organization may or may not become profitable, but by producing an organization, one may enter into the entrepreneurship prototype.

Keywords: Entrepreneur, Enterprises, Economics, Organization, Strategies.

Introduction

There is no common concise explanation of the meaning of a word of entrepreneur and entrepreneurship. The term entrepreneur is over and over again used to reflect a person, who creates a new enterprise and assumes the full responsibility of its functioning. Webster’s dictionary captures some of the original refinements of this term by defining entrepreneur as ‘one who organizes a business undertaking and assumes risk for the sake of profit’.

Consorting to a French economist, an entrepreneur is one who attempts a business entity, especially as an organizer and Function as an intermediary between other factors of production i.e. land, labour and capital.

According to Says, entrepreneur organizes several factors of production in a way that produces value for product and brings forth rent for land, wages for labour, interest for capitalist and profit for entrepreneur.

Some has comprised his interpretation to the term entrepreneurship, by contributing that an entrepreneur must have the potentialities to manage with and through other people and must be invariably alert to seek opportunities or introduce in order to minimize cost and make progress(1).

According to them, the entrepreneur is one, who carry out an action or functions like

A] Exchange relationships,
B] Practical administration,
C] Management control and
D] Technology management.

Where exchange relationship focuses on:
(a) Perceiving opportunities in market,
(b) Gaining command over scarce resources,
(c) Purchasing inputs, and
(d) Marketing of products and responding to competitors.

Practical administration includes:
(a) Dealing with public bureaucracy,
(b) Management of human relationship within the venture, and
(c) Management of customer and supplier relationship.

**Management control has**
(a) Financial management and
(b) Production management, as its integral part.

**Technology management includes**
(a) Acquiring and overseeing the assembling of the product,
(b) Industrial engineering, and
(c) Upgrading process and product qualities.

The term expression used for some particular entrepreneurship has been deduced from the French verb ‘entreprendre’, which means to undertake. A French economist officially introduced the term ‘entrepreneurship’ in economics and management literature(2). He emphasizes on two main functions of entrepreneur:
(a) Risk taking and
(b) Uncertainty bearing.

He considers entrepreneurship as the active factor of production among land, labour, and capital. This factor arrogates the responsibility and risk for contributing the other production factors together in order to make profit out of position opportunity. He described entrepreneurship as an event which includes introduction of
(i) New products,
(ii) New production methods,
(iii) New markets,
(iv) New source of supply, and
(v) New forms of organization.

He reveals that an entrepreneur is one who blends the various input factors in such a style that will bring forth a greater output and helps in engendering wealth by creating demand in the market from a newly introduced innovation(3).

Here, I summarize the conception about the entrepreneur and entrepreneurship of various authors, just to compare the ideology changes with mind set.

- According to some visionary entrepreneur is a person, who has a vision, courage and ability to establish an enterprise not only for his own economic benefit, rather for the benefit of society as a whole.
- Some echoed by clarify that ‘new entry (that is entering into new or established market with new or existing products) is an essential act of entrepreneurship’.
- Entrepreneurship is a process in which entrepreneur constantly scan environment, identify possibilities, acquire necessary resources, and finally translate the environmental opportunity into a concrete action.
- Some describe entrepreneurship as a process of value addition through exploration and exploitation of opportunities.
- Some suggested that an appropriate set of resources in dynamic environment is one of the pre requirements to exploit various environmental opportunities.
- Some have stated that entrepreneurship is a process of creating value by bringing together a unique package of resources to exploit an opportunity(4).

**Construct Specification**
Construct specification is a something that is required in advance of scale development. A accurate or delimited definition of construct; by specifying what is to be included, what is to be barred and the context, in which it is to be applied - not only makes the reasoning involved in drawing a conclusion meaningful but also increases the generalization of research findings(5). For the purpose of the operational, various constructs of interest have been defined in the following sections:

a) **Entrepreneurial Orientation**
Entrepreneurial orientation has been conceived as a firm level construct. It has been gestated as the extent to which a firm showcases innovativeness, evidences proactive, prefers risk taking, shows competitive aggressiveness and provides autonomy to its employees.
Innovativeness
Has been defined as firm’s propensity to support and encourage new ideas, experimentation and creativity- likely to result in new products, services, technologies or processes. It reflects the willingness of a firm to depart from existing practices and to adopt new ways of doing the things. It represents temperament and eagerness of all organizational members to accept and adopt organizational changes(6).

Proactiveness
It has been clearly and explicitly stated as the enthusiasm and ability of a firm to look forward to new developments as early as potential and to act as first mover viz-a-viz competitors. It reflects the watchfulness of a firm towards its environment(7).

Risk Taking
It has been regarded as the propensity of a firm to take business-related chance, to act boldly, to venture into unknown new markets, and to obligate a relatively large portion of possessions into ventures with uncertain outcome. It exposes the managerial preferences to go beyond tried-and-tested. It also reflects the willingness of a firm to promote the culture of risk taking.

Competitive Aggressiveness
It contemplates the tendency of a firm to directly and intensely gainsay its competitors - to achieve entry or ameliorate position, i.e. to outperform industry rivals in the marketplace. It reveals the extent of firm’s assertiveness towards competitive challenges.

Autonomy
It reflects the propensity of a firm to encourage independence and self commission in thought and action; and the bearing of a culture that encourages such demeanor among entrepreneurial leaders or teams. It exposes the extent to which an organization appropriates its members to go for a novel idea and carrying it through to completion.

b) Environmental Uncertainty
Environmental uncertainty has been defined in terms of perceived rate of change and innovation in an industry, unpredictability of the actions of competitors and customers, and the relative attractiveness of the industry.

c) Organizational Structure
Organizational Structure has been defined in terms of mechanistic-organic continuum. Mechanistic structure reflects a bureaucratic form of organization with restricted channels of communication, centralized decision-making, formalized planning system, tight systems of control, and a constrained level of flexibility.

Organic structure reflects an adaptive form of organization with open channels of communication, equal distribution of knowledge, participative style of decision making, lesser formalization, lower vertical differentiation and higher horizontal integration(8).

d) Business Performance
Business performance has been defined as the extent to which an organization meets the requirement of different stakeholder’s viz. customers, employees, owners, creditors and community etc. In context of present study, the performance of an organization has been defined in following context.

Subjective Business Performance Relative to Competitors
It has been defined as the ability of the firm to perform on indicators like: sales growth, market share, return on investment, service quality, customer satisfaction, employee satisfaction, employee turnover, product innovation, process innovation and product quality viz-a-viz their major competitors, over the past three years(9).

Subjective Business Performance Relative to Industry
It reflects the relative performance of an organization against the industry average on indicators like: sales growth, profitability,
growth rate, service quality, customer satisfaction, employee satisfaction, product innovation, process innovation and product quality(10).

**Archival Business Performance**

It has been regarded as the ability of the firm to meet its economic goals in absolute terms. It is defined in terms of growth and profitability of an organization.

**Conclusion**

Some describe entrepreneurship from the perspective of value creation. They consider entrepreneurship as ‘the creation of value by people and organizations, working together to implement an idea through the application of creativity, drive, and a willingness to take what might commonly be seen as risk’. Entrepreneurship is a combination of vision, leadership and desire to build a sustainable entity.

**References**


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