

ENTREPRENEURSHIP AS A WAY OF LIFE

V. Balu^{a)}, Maria Zeena Johanson^{b)}

^{a)}D. B. Jain College, Thorapakkam, ^{b)} Sathyabama University

Abstract: “Entrepreneurship” is a creative activity wherein the entrepreneur introduces something new in market. Normally, a new combination refers to employment of productive means in a changed form. A new combination need not be carried out by people who control the product or commercial process. Rather it can be carried out by employing both unused and used means of production. It is the innovative quality of an entrepreneur that foresees the potentially profitable opportunity and tries to exploit it. Entrepreneur is a problem solver and gets satisfaction by attracting problems.

Joseph A. Schumpeter wrote in his Theory of Economic development that the basic function of an entrepreneur was to innovate. According to him “everyone is an entrepreneur only when he actually carries out new combinations and loses that character as soon as he has built up his business, when he settles down to running it as other people run their business.

Today, entrepreneurship is considered as an alternative to employment and hence the governments both central and state create an entrepreneurial climate wherein the students and the unemployed youth enter into entrepreneurship. The present article discusses mainly the role of entrepreneur in the economic development, the characteristics of an entrepreneur, the entrepreneurial environment and the benefits accruing from entrepreneurship.

Keywords: Entrepreneurship, entrepreneur, entrepreneurial environment

1. Introduction

Entrepreneurship is becoming an increasingly popular alternative career choice in the current economic slowdown. **If you are planning to become an entrepreneur you will not be alone and will have plenty of opportunities.**

2. The Concept of Entrepreneur

The word ‘**entrepreneur**’ has been taken from the French language where it cradled and originally meant to designate **an organizer** of musical or other entertainments. Oxford English Dictionary (in 1897) also defined an entrepreneur in similar way as “**the director or a manager** of public musical institution, one who ‘gets –up’ entertainment, especially musical performance”. In the early 16th century, it was applied to those who were engaged in military expeditions. It was extended to cover civil engineering activities such as construction and fortification in the 17th century [1].

Entrepreneur as a Risk-Bearer

Richard Cantillon, an Irish man living in France, was the first who introduced the term ‘**entrepreneur**’ and his unique risk-bearing function in economics in the early 18th century. He defined entrepreneur as an agent who buys factors of production at certain prices in order to combine them into a product with a view to selling it at uncertain prices in future [2]. **Knight** [3] also described entrepreneur to be a specialized group of persons who bear uncertainty.

Uncertainty is defined as a risk which cannot be insured against and is incalculable. He thus, draws a distinction between ordinary risk and uncertainty.

Entrepreneur as an Innovator

Joseph A. Schumpeter, for the first time in 1934, assigned a crucial role of ‘innovation’ to the entrepreneur in his magnum opus “**Theory of Economic Development**”. Schumpeter considered economic development as a discrete dynamic change brought by entrepreneur by instituting new combinations of production, i.e., innovations [4].

3. Characteristics of an Entrepreneur

If we go through the business history of India, we come across the names of persons who have emerged as successful entrepreneurs. For example, **Tata, Birla, Modi, Dalmia, Kirlosker, Dhirubai Ambani and others are well-known names of successful entrepreneurs in the country** who started their business enterprises with small size and made good fortunes. **What makes the entrepreneurs successful?** Whether they had anything common in their personal characteristics? The scanning of their personal characteristics shows that there are certain characteristics of entrepreneurs which are found usually prominent in them [5].

Many have gone the entrepreneur route due to external factors including layoffs, frustration in their current workplace culture, or the need for greater flexibility in their lives. However, it is most important to go with your own “Internal factors”, which include passion, wanting to be independent, wanting to accomplish, building an enterprise, enjoying freedom, a burning desire to make a profession out of a hobby and enjoying the challenges.

“**Entrepreneurship** is an attempt to create value through recognition of business opportunity, **the management of risk-taking appropriate to the opportunity**, and through the communicative and management skills to mobilize human, financial and material resources necessary to bring a project to fruition [6]”.

Entrepreneurship is not for all. You may most likely be aware that many new ventures fail and probably one out of three will not be in business after five years. The dotcom ventures were successes of the late 1990s and early 2000s, but it is most unlikely that you will become successful overnight. **It requires hard work, determination, vision, need to dedicate long hours and endless energy which is more realistic.** In today’s entrepreneurship, **Ranc hodlal Chotalal**, Nagar Brahman, was the first Indian to think of setting up the textile manufacturing on the modern factory lines in 1847, but failed. In his second attempt, he succeeded in setting up a textile mill in 1861 at Ahmedabad [7]. But before this, the first cotton textile manufacturing unit was already set up by a Parsi, Cowasjee Nanabhoy Davar in Bombay in 1854 followed by Nawrosjee Wadia, who opened his Textile mill in Bombay in 1880.

4. Entrepreneurial Environment

There is no fixed pattern for entrepreneurship so long as you are focused and hard working, your dream can become a reality and you can become a reality and you can reap the benefits of entrepreneurship.

In today’s world which is becoming flatter due to countries opening up, technology, increasing competitiveness, and mature products, there is an urgent need for creativity to

become an entrepreneur is becoming much easier especially since there is a shift from a predominantly manufacturing to a service-based economy, and due to this, cost and barriers to entry for entrepreneurs have lowered considerably. It is worthy to note that new ventures are job creators like the Silicon Valley, Silicon Alley, Route 128, and industrial parks are the envy of the world.

Entrepreneurship serves as an anchor to many businesses and economy. It can also play a major role in alleviating problems of poverty, unemployment and underemployment in many developing countries in today's world.

According to Joseph A. Schumpeter, the 'social climate' is responsible for emergence of entrepreneurs. This social climate refers to **the political, socio-psychological atmosphere within which the entrepreneurs must operate.** An entrepreneurs' ability lies on his capacity to mobilize the capital for effecting his proposals. Sound financial families may provide the situational context for the growth of entrepreneurs. Higher income and level of living facilitates the growth and development of entrepreneurial ability. In most of the cases (entrepreneurs), the desire to make money, desire to work independently has encouraged the entrepreneurial abilities. When there is will there is way. Similarly, even at the lower economic levels, the entrepreneur had disposed of jewels, land and buildings and entered into business and industry. In India, the educational and technical qualification and family back ground played greater role in influencing entrepreneurship. **There are certain communities like Chettiars, Baniyas, Marwaris in India, well known for their enterprising nature in the trade business.**

Entrepreneurship will thrive only in a culture and environment which encourage entrepreneurs to take a chance. At present, the government and even the former President of India., Dr. A. P. J. Abdul Kalam, has been encouraging young people to take a career in entrepreneurship.

Entrepreneurship can be spurred by three factors, first opportunity, second people and third available resources. Entrepreneurs are people with high managerial and creativity skills. Sales people are low in both managers are high in managerial skills and inventors are high in creativity. This does not mean that you must be high in both. **You can form a team to strengthen your skills, as entrepreneurship is all about building a team and not a single person entity.**

5. Why look at entrepreneurship?

Entrepreneurship creates new jobs, new industries (examples: cellular phone, internet shopping). Entrepreneurship provides economic and social mobility. **It creates equity, produces great leaders and contributes to society.**

With competition increasing and technology becoming more efficient, jobs are decreasing. Hence, entrepreneurship is on the rise jobs are also decreasing as many women are forced to look for work as one salary is not sufficient to run a family. Jobs are not for life. Nowadays, people are looking for results and hence the change is common. Rearranging in companies to reduce cost is being done and therefore contract and temporary works are increasing. As an entrepreneur, your hours of work can be flexible.

The positives of an entrepreneurship are that **you control your own future, have the satisfaction of making your own money** and not for someone else, **put your talent to use** and most importantly **you will be doing something that you enjoy.**

The demerit of entrepreneurship is you may have irregular income. You may have to do all the work by yourself which may result in a hard life.

You must dream to make entrepreneurship work for you just like **Bill Gates**, a Harvard dropout. His dream was to have every desk stop in the world running on his software and that dream has made him one of the richest people in the world.

That is the power of dreams, these will help you to face challenges, handle failure, help you build confidence to face ambiguity and make the impossible possible.

As children, we all have big dreams, but as we grow up these dreams are reduced by people who want the best for us like our parents, teachers, friends, society and other forces.

The impact is that we lose our big dream and become 'regular' beings looking for things we do not want, like looking for a job [8].

6. Refresh managerial ability to lead effectively.

In stressful economic conditions, you're entrepreneurial and leadership abilities are put to test. **Refreshing your managerial abilities alone can stand you in good stead.** Practical training in what needs to be done to motivate your staff during turbulent times would be of great value but unfortunately not many organization think of providing these vital inputs to their managers. **You have no option but to work on your own to improve your influencing skills by seeking expert advice or by gathering useful information through various means.** Discussing issues with colleagues and superiors or reading related blogs on the internet can provide you with some insights and solutions.

But for all practical purposes, **it is important for an entrepreneur to remember that there are four areas on which you must concentrate to get things done through the staff.** These include making the **subordinates feel valued**, providing opportunities for them to **improve their skills, recognizing their achievements** and **encouraging creativity to meet challenges** effectively. You can make subordinates feel valued by creating an atmosphere of cooperation and approval. Regularly monitor each team member's work and make him feel that his work matters. This will ensure that everybody in your team understands the importance of his/her individual contribution to the overall objectives of the organization. Not only that you must show that you care for the subordinates but also show a genuine interest in their lives and in whatever they hold to be important. **Most people feel happy and motivated only when they get a chance to use their talents to the fullest.** Try to structure tasks in such a way as to use each team member's skills to the maximum.

Set standards and targets that stretch them but at the same time provide them with opportunities to further fine-tune their skills. Give them on and off-the-job training to help them meet challenges effectively. **Encourage them to share knowledge and specialist skills to promote the overall efficiency of the team.**

7. Conclusion

The economic history of the presently developed countries, for example, America, Russia and Japan tends to support the fact **that the economy is an effect for which entrepreneurship is the cause.** The crucial role played by the entrepreneurs in the development of the Western countries has made the people of under-developed countries too much conscious of the significance of entrepreneurship for economic development. **Now,**

people have begun to realize that for achieving the goal of economic development. It is necessary to increase entrepreneurship both qualitatively and quantitatively in the country. It is only the active and enthusiastic entrepreneurs who fully explore the potentialities of the country's available resources- labor, technology and capital. **Schumpeter [9] visualized the entrepreneur as the key figure in economic development because of his role in introducing innovations.**

8. Results of Research

The article provides a descriptive analysis of entrepreneurship as a way of life, which will be useful to the general community, where there is more unemployment. Entrepreneurship provides alternative employment opportunities to the younger generation irrespective of their socio – economic background. The article provides an insight into the true qualities that are required for a successful entrepreneur. Today we can see many people have succeeded by taking entrepreneurship as a way of life.

References:

- [1] COCHRAN, T. C.: Entrepreneurial Behaviour and Motivation, Explorations and Entrepreneurial History, 1950, Vol. 2., pp. 304-307.
- [2] CANTILLON, R.: In: Peter Kilby (Ed.) Entrepreneurship and Economic Development, The Free Press, New York, 1971, p. 2.
- [3] Knight, F. H.: Risk, Uncertainty and Profit. Harper and Row, New York, 1965.
- [4] Schumpeter, J. A.: Business Cycles, Mc-Graw-Hill Book Co., New York, 1939, p. 103.
- [5] Khanka, S. S.: Entrepreneurial Development, S. Chand &Co., 2001, NewDelhi. P. 3.
- [6] Kao, J., Stevenson, H. (Eds.), Entrepreneurship..... What it is and How to Teach it, Division of Research, Harvard Business School, 1984.
- [7] Spodek, H.: The Manchestrization of Ahmedabad, the Economic Weekly, 17 (11), March 13, 1965. p. 483.
- [8] The Hindu – Monday – June 1, 2009, Educational Plus, Muthu Singaram Professor of Entrepreneurship and Innovation SMOT, School of Business, Chennai, India, p.no.8.
- [9] Schumpeter, J. A.: Op.Cit., 1934.
- [10] The Hindu, Wednesday, July 29,2009, N. Purnima Srikrishna

Update References:

- [11] The SMART Journal of Business Management Studies, January 2010, Vol.6, No.1, p.n.59 – 61.
- [12] The Southern Economist , Vol.48, No.4, p.no.11-12.
- [13] website: [www.successful women entrepreneurs](http://www.successfulwomenentrepreneurs.com)
- [14] website: [www.problems of women entrepreneurs](http://www.problemsofwomenentrepreneurs.com)
- [15] website: [www.scope for women entrepreneurs](http://www.scopeforwomenentrepreneurs.com)

Contact address:

Dr. V. Balu
Professor of Commerce
D. B. Jain College, Thorapakkam
Chennai -600 097
TamilNadu, South India
Phone: 09840865174
Email: drvbalu2000@yahoo.com

Mrs.Marie Zeena Johnsan
Lecturer
Sathyabama University
Jeppiar Nagar
Chennai – 600 119
Tamil Nadu, South India