



THE ROLE OF ENTREPRENEURSHIP IN GLOBAL BUSINESS MANAGEMENT: SOME REFLECTION

Jaydeo Bhagarath Lanjewar

Govindrao Warjekar Arts & Commerce College, Nagbhir, Dist
Chandrapur (MS), India.

Corresponding author Email : jaydeo.bl1962@gmail.com

ABSTRACT:

Economic growth of the country is primary objective of every country. And this growth is depending upon industrialization of the country. A special role for entrepreneurship is earmarked in the Indian economy. By and large entrepreneurship developed in a manner, which made it possible for them to achieve the objective of the nation. The concept of corporate entrepreneurship is generally believed to refer to the development of new ideas and opportunities within large or established businesses, directly leading to the improvement of organizational profitability and an enhancement of competitive position or the strategic renewal of an existing business. This paper shows the role of entrepreneurship in economic growth and business management

Keywords:

Entrepreneurship, Business, Management, Growth, Economic development, etc.

INTRODUCTION:

Entrepreneurs can be regarded as one who starts new business, undertakes Risks, face uncertainties, perform managerial function, decision making and co-ordination. And Entrepreneurship is belongs to Economic growth, Market Expansion, Commercialization of Innovation, Policy Initiatives by Government of India, Entrepreneurial Research, Favorable not only on National Level but on International level, Economic growth is the effect while entrepreneur is the cause.

MATERIAL AND METHOD:

Definition of Entrepreneurship: The word 'Entrepreneur' is derived from the French verb 'enterprendre'. It means "to undertake". The Frenchmen





who organized and led military expeditions were referred to as “entrepreneurs”. Oxford Dictionary: “A person who sets up a business or businesses, taking on financial risks in the hope of profit” Schumpeter’s Definition: —The entrepreneur in an advanced economy is an individual who introduce something new in the economy- a method of production not yet tested by experience in the branch of manufacturing, a product with which consumers are not yet familiar, a new source of raw material or of new markets and the like” Entrepreneurship has emerged as an important element in the organization of economies. This emergence did not occur simultaneously in all developed countries. Differences in growth rates are often attributed to differences in the speed with which countries embrace entrepreneurial energy. The present contribution tries to provide this view with a particular view on emerging economies. More recently, it appears that technological change, globalization, deregulation, shifts in the labor supply, variety in demand, and resulting higher levels of uncertainty have shifted industry structure away from greater concentration and centralization and toward lesser concentration and decentralization concerning the role of entrepreneurship in stimulating economic growth. It is of the utmost importance in carrying out innovations and enhancing rivalry. The resurgence of small businesses and the revival of entrepreneurship, there is ample evidence that economic activity moved away from large firms to small firms in the 1970s and the 1980s. Role of entrepreneurs in Economic Development: Competition is reshaping business environment. Business leaders are consistently & continuously striving to overcome the changing market Scenario. Domestic businesses are also facing global challenges. The effects of globalization are not encouraging for all the domestic industries. However, it is not only influencing some existing domestic industries to expand its horizon, but also encouraging new entrepreneurs to start their own businesses. As we are observing due to





various factors like higher income, sophistication, technological up-gradation & modernization, the needs of the society are increasing day by day. The enormous market opportunities, easy availability of basic facilities to start the business activity more & more individuals is attracted towards Entrepreneurship. According to the Global Entrepreneurship Monitor's report for 2003 – the most recent statistics available in India – 12.5 percent of the total Indian working population was involved in opportunity-based ventures, whereas in China the figure was about half that at 5.5 percent. The word development is used in so many ways that its precise connotation is often unsolved. Nevertheless, Economic development essentially means a process of upward change whereby the real per capita income of a country over a long period of time. Entrepreneurs bring about economic growth and development, and the latter in turn provides a fertile soil for the flourishing of entrepreneurship. The industrial health of a society depends on the level of entrepreneurship existing in it. A country might remain backward not because of lack of natural resources or dearth of capital but because of lack of entrepreneurial talent or its inability to tap the latent entrepreneurial talents existing in that society. Entrepreneurs historically have altered the direction of national economics, industry or markets – Japan, Singapore, Korea and Taiwan to name a few. Thus entrepreneurship is the key to economic development. In fact it is one of the most critical inputs in the economic development of a region. So much so that in the absence of entrepreneurial interventions, every plant would remain a weed and every mineral would remain a rock. Contribution to GDP: Increase in the gross domestic product or GDP is the most common definition of economic development. We are aware that income is generated in the process of production. So entrepreneurs generate income via organization of production be it agriculture, manufacturing or service. We are also aware that income generated is





distributed is distributed among the factors of production where land gets rent, labour gets wages & capital gets interest &—residual income accrues to the entrepreneurs in the form of profits. —Capital Formation: The entrepreneurial decision in effect, is an investment decision that augments the productive capacity of the economy and hence results in capital formation. In fact, GDP and capital formation are related to each other via capital output ratio. More precisely increment capital output ratio that measures the percentage increase in capital formation requires obtaining a percentage increase in GDP. Entrepreneurs, by investing their own savings and informally mobilizing the savings of their friends and relatives contribute to the process of capital formation. —Generation of employment: Every new business is a source of employment to people with different abilities, skills and qualification. As such a entrepreneurship become a source of livelihood to those who do neither have capital to earn interest nor have the land to earn rent. In fact, what they earn is not only a livelihood or means of substance but also a lifestyle for themselves and their families as well as personal job satisfaction. —Generation of business opportunities for others: Every new business creates opportunity for the suppliers of inputs and marketers of the output. As a pen manufacturer would create opportunities for refill manufacturer as well as wholesaler and retailers of stationary products. This immediate linkage induce further linkage for example, greater opportunity for refill manufacturer would mean expansion of business for ink manufacturer in general there are greater opportunities for transporters, advertisers and so on. —Improvement in economic efficiency: We are aware that efficiency means that to have greater output from the same input. Entrepreneurs improve economic efficiency by, a) Improving process, reducing waste, increasing yield and b) bringing about technical progress that is by altering labour-capital





ratio. Increasing the Spectrum and Scope of Economic Activities: Development does not merely mean 'more' and 'better' of the existing, it also and more crucially means diversification of economic activities – across the geographical, sectoral and technological scope. In today's context, we are aware that India is poised to become manufacturing hub for the global markets for diverse products. Entrepreneurs mobilize local and even overseas resources to augment the productive capacity of a country. Entrepreneurs through their decision to divest from stale sectors and invest in green field sectors bring about a virtual transformation of the economy from 'underdeveloped' to an emerging and 'developed' status. Impact on local communities: Entrepreneurship, in its natural habitat, that is, small business is a great traveler. That small scale entrepreneurship enables such marginalized groups as women, SC, ST, to pursue their economic dreams. Agro-based rural industries and craft based cottage industries can really catapult local communities to socio economic success stories. In regard the development of entrepreneurship for impacting local communities, some corporate-sector initiatives also deserve a mention. ITC through e-Chaupal and HLL through their 'Shakti' initiative have sought to mobilize native entrepreneurs for improving to lots of those lying at the bottom of the economic pyramid. Thus, whether one looks at economic development narrowly in terms of the increase in GDP or in the wider context of economic, institutional and social change, and entrepreneurship plays a crucial role.

RESULT AND DISCUSSION:

The Influence of Entrepreneurship on Economic Development: The entrepreneur is the one who undertakes to organize, manage, and assume the risks of a business. In recent years entrepreneurs have been doing so many things that it is necessary to broaden this definition. The





entrepreneur is the aggressive catalyst for change in the world of business. He or she is an independent thinker who dares to be different in a background of common events. The literature of entrepreneurial research reveals some similarities, as well as a great many differences, in the characteristics of entrepreneurs. Chief among these characteristics are personal initiative, the ability to consolidate resources, management skills, a desire for autonomy, and risk taking. Other characteristics include aggressiveness, competitiveness, goal-oriented behavior, confidence, opportunistic behavior, intuitiveness, reality-based actions, the ability to learn from mistakes, and the ability to employ human relations skills. Entrepreneurship is catalyst of business and economic development. The social and economic forces of entrepreneurial activity existed long before the new millennium. Entrepreneur builds strong relations with everybody around them whereas corporate manager follow the relationship as per the organization chart. Entrepreneurship is a dynamic process of vision, change, and creation. It requires an application of energy and passion towards the creation and implementation of new ideas and creative solutions. Government Role: Indian Government consistently helping the entrepreneur in India. Various measures, Financial as well as non-financial incentives are initiated by Government of India to promote Entrepreneurship in India. In addition to this number of institutes provide Consultation as well as infrastructural assistance to the entrepreneurs. These facilities are utilized by many entrepreneurs & still many opportunities are available. Global Economic challenges & entrepreneurs: Dynamics market condition increasing competition; globalization, collaboration among giants, international relationship, cultural diversities, etc. are the important challenges to entrepreneurs. To support the entrepreneurs various facilities are provided by Government. Looking in to the importance of entrepreneurship in economic development of the country





various measures are initiated. Impact of globalization on entrepreneurial activity: a. New Venture Creation b. Joint Ventures c. Merger & Acquisition d. Diversification e. Out-sourcing f. Franchisee g. Collaborations h. Takeovers etc.

CONCLUSION:

As entrepreneurship is the backbone of any company. It is found that recent trend to start the business is consistently increasing in India. People engage themselves in entrepreneurial activity than to work for someone. The National and International scenario is also conducive for the growth of Entrepreneurship. Liberalization, Privatization & Globalization has opened infinite opportunities for Entrepreneurs. Various forms of businesses are available to entrepreneurs. The success of various Acquisitions, Merger, Franchising and out-sourcing resulted in attracting the prospective entrepreneurs in establishing their businesses with ease. People engage themselves in entrepreneurship due to various reasons. Some of them care ease of Formation, government's incentives; own boss, easy availability of Capital, International exposure, comparatively good economic condition, social contribution, employment generation etc. The paper shows some reflection about the wide range of significant contribution that entrepreneurship makes to the economic development.

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