ENTREPRENEURSHIP: ITS CONCEPTS AND APPROACHES

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ABSTRACT

This work deliberates on the conceptual framework of entrepreneurship to facilitate understanding of entrepreneurship, with the instrumental importance of social entrepreneurship. The various approaches of entrepreneurship are considered to perceive the inter-linkages between individuals, groups and communities in society (ies). This research is the outcome of the two book content review.

KEY WORDS: SOCIAL ENTREPRENEURSHIP, TRADITIONAL ENTREPRENEURSHIP, SOCIOLOGICAL APPROACH

INTRODUCTION

The research focuses on the conceptual framework of entrepreneurship along with types and processes of entrepreneurship. The various approaches of entrepreneurship and importance of social entrepreneurship are explained here. This book by Patil (2009) and Simon Bridge, Ken O’neill and Stan Cromie (2003) best contribution to the field or discipline of economic sociology, are used at the baseline for this article.
LITERATURE REVIEW

The book by Patil, B.S. (2009) entitled ‘Social Entrepreneurship’ by ALP Publications, and Simon Bridge, Ken O’neill and Stan Cromie (2003) entitled ‘Understanding Entreprise, Entrepreneurship and Small Business’ by Palgrave Publications are best contribution to the field or discipline of economic sociology, economics, management etc. The book relates to a current debate or trend in the above fields and also in the social entrepreneurship, social management and so on. It discusses conceptual and theoretical lineage or school of thought out of which the research is of great relevance from economic sociology perspective. It includes the terms like traditional, social and business entrepreneurship which are well defined. There is accuracy in the information related bibliography and explanation. The illustrations given in the article are very connecting and helpful. These illustrations are benefiting the reading of this article. This article should be rejoinder to the other articles in this field. This article can be used in many courses because it is very clear to be fit into multi or inter-disciplinary due to its structure and examples. This can provide with useful context.

METHODOLOGY

books content analysis or reviews helps to bring forth the article on the entrepreneurship: its concepts and approaches

**CONCEPTUAL FRAMEWORK OF ENTREPRENEURSHIP**

The book by Patil, B.S. (2009) discusses origin of the word entrepreneur in the 19th century by French economist, Jean Baptiste. Baptise says that entrepreneur is a person who shifts economic resources out of an area of lower productivity into the area of higher productivity and greater yield. Further, the discussion acknowledges Webster saying entrepreneur is a person who organizes, manages and assumes the risks of a business enterprise. Thus entrepreneur is a person who initiates serious activities intended to culminate in a business start-up.

Here the author says that the entrepreneur’s previous experience generates opportunities for new business because their diverse social network favors entrepreneurship. Even the brokers in the venture can bridge structural holes for entrepreneurs. It is clear that most of the firms are started as small firm or company due to less funds. Later the composition of firm’s entrepreneurship shows high level involvement of gender, ethnicity, specific occupation aspects etc. The chapter also focuses on the 20th century academician, Joseph Schumpeter who says that the function of the entrepreneur is to reform or revolutionize the pattern of production by invention, technology, producing new commodity in a new way or new outlet for products, reorganizing an industries etc.

The author says that there are three types of entrepreneurship, that is, Traditional, Business and Social entrepreneurs who are change agents. Emerson and Twersky says, social entrepreneurs is a combination of commercial enterprise with social impacts. For
this, entrepreneurs have used business skills and knowledge to create enterprises that accomplish social purposes, in addition to being commercially viable.

Author uses definition of J. Gregory Dees (1998) who says a social entrepreneur is any person, in a sector, who uses earned income strategies to pursue a social objective, and a social entrepreneur differs from a traditional entrepreneur in a two ways. Firstly, Traditional entrepreneur frequently act in a socially responsible manner, refuse certain business, donate money to non-profits, treat with dignity and respect, use safe environmental material and practices. All this is admirable. Their efforts are attached indirectly to social problems.

On the other hand, social entrepreneurs income is directly tied to their mission, like, controlling school drop-out, producing devices for physically challenged people, providing home care center, preparing syllabus of social problems. They employ people who are developmentally disadvantaged, sick, poverty-stricken, etc. They sell mission driven products or services for the welfare purpose.

Secondly, Traditional entrepreneur is ultimately measured by the financial measures. The success or failure of their companies is determined by their ability to generate profits for their owners. And, social entrepreneur are driven by a double bottom line, a virtual blend of financial and social returns. Profitability is still a goal, but it is not the only goal, and profits are re-invested in the mission rather than being distributed to shareholders.

Author defines factors that define social entrepreneurship includes adopting a mission to create and sustain social value (not just private values), engaging in a process of
continuous innovation, adoption and learning; recognizing and relentlessly pursuing new opportunities to serve that mission; acting boldly without being limited by resources currently in hand; and exhibiting a heightening sense of accountability to the constituencies served and for the outcomes created.

SOME APPROACHES FOR ENTREPRENEURSHIP

The book by Simon Bridge, Ken O’neill and Stan Cromie (2003) deals with some approaches for entrepreneurship. Firstly, economic approach specifically concerns entrepreneurship and service in economy. They see entrepreneurs as seeker of opportunity and engaged in innovative coordination of resources in the pursuits of profit. Equilibrium theories says that profit will be short-lived as competition increases but foresight and effective judgment about sources and combinations of resources allow entrepreneurs to reap economic rewards. Economic motivation is important but successful initiation could afford a sense of achievement. It is long standing theories but do not indicate why some people emerge as entrepreneurs and others not. Entrepreneurs are rational decision-makers and play role of interpretation in this process.

Secondly, sociological approach says individuals are seriously constrained in making career choices. Choice limitation are experienced and are expectations in social order. Roberts says that opportunity structure are exposed in education and employment. Ambitions are moulded by “structure through which he or she passes”. Opportunity structure vary from person to person, different structure will lead to different level of knowledge, skill and drives. Different structures expose to different possibilities and expectations from others. Individual socialized are expected to behave in role set.
Dominant values will be translated in expectations which influence behavior. Like business-owning parents and unemployed laborer has influence on behaviour. It is important for entrepreneur to grab opportunity by taking decision and not just sit and wait. But where there is no opportunity, they can become catalyst. Entrepreneurship require ideas, opportunity, resources, skill and motivation then social structure and situations for success. Socio-economic condition, social class, family composition and background, parental occupation will definitely influence decision-making. The research of this chapter gives example that the ethnic groups have more entrepreneurship in United kingdom. There are 43.5% parents in self-employ or in small business ownership.

The author says that the localities help to develop problem solving mechanism and marketing skill which contain institution to support small entrepreneurs and encourage and sustain more entrepreneurship. Gibbs says increased culture of entrepreneurship is through sets of values, attitudes and belief by different entrepreneurship management and bureaucratic management. Increasingly culture are derived from family, peers, community activists and the media.

Thirdly, Social-psychological approach says behavior is constrained by contextual factors. Behavior is also influenced by social realities. The behavior can be risky or innovative ones. Here classification of enterprising individual according to behavior in certain circumstances is described. According to Chell and her colleagues the characters of Business owners, prototypical entrepreneurship and their associated behavior are characterize as alert to opportunity, proactive, innovative, utilizers of various sources of finance, high profile image-maker, restless, adventurous, an ideas person and an agent of
change. Hierarchical model or stage of development for owners are of four types; entrepreneur, the quasi-entre, administrators and the care-takers.

Here context is important for individual who do not progress on mainstream, gets marginalized and turn entrepreneur as means of escape. Example of emergence of women and ethnic entrepreneur. Comments to this research is that there are narrow sample to see influence of context on behavior. The owners typologies of Small business are not same of all. There are three main types of owners like craftsman, entrepreneur and professional managers. According to Smith in 1960’s, craftsman-owners ran rigid and stable firms and has opportunities to head growing and adoptive firms. Opportunity-owners, craftsman entrepreneur and inventor-entrepreneur are person who creates and develop firms, not an end in itself but as a mechanism to facilitate invention and presentation of new product.

This categorization also helps to make point that not all business owners are entrepreneurs. Example, craftsman with same traditional practice like that of parent may have business but are not enterprising. The work of Miner, Smith and Bracker (1990’s) also shows tripartite typology. Comments is that it is applied only to people in the context of their business. Whether small business can change to another is not given attention.

The author explains, fourthly, Psychodynamic approach by Frued’s psychoanalytic theory says, individual have instinctive drives and seeks instant gratification for these desires. In pursuit of gratification they get in trouble and as they develop ego, emerges to constrain instinctive behavior. These control mechanism protects from unpleasant
consequences of pursuing desires. With further development, individual realizes that behavior can meet approval or disapproval of significant others and a superego develops to limit behavior by keeping moral code of parents and society. Many conflict between forces and resolution of these conflicts is instrumental in creating the personality.

If instinctive behavior is constrained then it leads to frustration. This frustration is the source of much entrepreneurship motivation. Psychodynamic approaches is based on three premises i.e., most behavior is goal-directed and is caused by force within the person, behavior originated from unconscious mind and early childhood exposure which are crucial in development of personality. Kets de Vries says early frustration are product of unhappy family background, like, father’s negative image development, suppressed aggressive tendencies towards persons in control. Unconscious motivations impact adversely on careers. The rejection of controlling others in organization leads these individual to be classified as deviant or marginal people with the result they change jobs on regular basis.

Deviant cannot tolerate direction and control in organization, the variety of job experiences provide with range of skills indispensable for business. As a consequence of behavior, individual make determined effort to start their own business, they are not answerable to others and are at centre of action. Comments for this approach is that, it do not cover all situations. Unemployed deviant are not typically success entrepreneurs. Entrepreneurs in their 30’s or later are influenced by their behavior.

Finally, author talks about Cognitive approach which includes personal characters of individual and importantly decision-making process. Decision on the basis of reality and
also perceived reality, are perceived differently by entrepreneurs. It depends on how individual perceives the situation. Entrepreneurs should see entrepreneurship as viable career option. Opinion about job requisite and self perceived requisite are attributes, knowledge, skill and resources. Personal background includes level of potential realized, if individuals have, certain specific abilities and sensitivity, environment possibilities and social support.

**DISCUSSION**

The book deliberated on the conceptual framework of entrepreneurship and the three types of entrepreneurships. Some approaches for entrepreneurship like economic approach, sociological approach, socio-psychological approach, psychodynamics and cognitive approach are discussed in here so as to understand the capacity of the individual through the group in the communities to become a business, traditional or social entreprenuer.

**CONCLUSION**

In conclusion, the research deliberated on the conceptual framework of entrepreneurship to facilitate understanding of entrepreneurship, with the instrumental importance of social entrepreneurship. The various approaches of entrepreneurship are considered to perceive the inter-linkages between individuals, groups and communities in society (ies).

**REFERENCES**