

Development of Entrepreneurs for Economic Development and Prosperity – A Study

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Abstract

Entrepreneurs play a pivotal role in the economic development of any country. Entrepreneurs are considered to be the most important economic agents for the economic augmentation of any country. They act as the owners, producers, coordinators, market-makers, decision-makers, risk-takers and innovators. They provide an improved allocation of resources for the best economic pioneers initiating changes in the economy. They strive to increase productivity and improve the quality of output through the application of more efficient production techniques, better plant layout and effective marketing policies. They ensure production of better quality of goods and services at lowest cost. They generate employment opportunities and arrange for the betterment of the standard of living.

I. Concept of Entrepreneur

An Entrepreneur is the organiser of an economic venture, especially, one who organises, owns, manages and assumes the risk of the business. An entrepreneur may also be defined as the economic functionary who undertakes such responsibilities which cannot be insured or capitalised or salaried. An entrepreneur is one who makes the utilization of available resources for the creation of economic goods. Schumpeter (1961) defines entrepreneur as an innovator who is characterised by potentialities of doing new things or doing things in a newer way. He is an economic leader with atavistic will power and sets a creative response to a situation and acts as a chief conductive factor in the process of economic development. Stepanek (1962) observes that entrepreneurship is the capacity to take the risk, ability to organise and desire to diversify and make innovations in the enterprise. Leibenstein (1968) defines an entrepreneur as an individual or a group of individuals with the following four characteristics :

- (i) he connects different markets ;
- (ii) he is capable of making for market deficiencies (gap filling);
- (iii) he is an input – completer ; and
- (iv) he creates or expands time – binding input transforming entities for firms.

The entrepreneurs may be categorised as innovating entrepreneurs, imitating entrepreneurs, fabian entrepreneurs, drone entrepreneurs, routine entrepreneurs, N-entrepreneurs, political entrepreneurs, private entrepreneurs, criminal entrepreneurs and revolutionary entrepreneurs performing their respective functions for smooth and efficient running of the enterprise.

II. Role of the Entrepreneur

The entrepreneurs are the dynamic persons for innovation and ‘gap-filling’ for economic development. The role of the entrepreneur is that of an innovator who not only combines factors of production but also introduces a change over the existing one. The entrepreneur performs an important role in producing goods at lowest cost, promoting the growth of the firm and maximising profit.

The entrepreneurs play a pivotal role of the generation of new employment, participation in developing planning, helping to build a strong national industry. The entrepreneurs accelerate the economic development of any country with special reference to undeveloped countries and at the same time affect the environment in a way which produces favourable climate for its growth. The economic prosperity of any country depends on the entrepreneurial competence. Entrepreneurial efforts ensure an improve allocation of resources and to transfer the relevant know-how to other countries. The entrepreneurs perform the role in the economic development as the owners, employers, producers, coordinators, market-makers, decision-makers, risk-takers, manipulators of market information, speculation superintendents or managers, innovators and economic pioneers.

III. Entrepreneur: An Economic Pioneer

The entrepreneurs perform dominating roles in creative thinking, leadership, management and production of goods and services for economic pioneering.

Berna (1960) states that entrepreneurs constantly strive to raise productivity and improve the quality of output through the application of more efficient production methods, better plant layout and organisation of production, improved labour relations, more effective techniques and all other devices available for obtaining maximum output at lowest cost. Schumpeter (1961) states that as an innovator, the entrepreneur carry out the following activities.

- (i) Introduction of new goods.
- (ii) Introduction of new methods of production.
- (iii) Opening of new markets
- (iv) Opening of new sources of supply, and
- (v) Industrial re-organisation.

An economic agent, entrepreneurs are treated as resources having both qualitative attributes and quantitative dimensions. The entrepreneurs undertake or manage the risk and handle economic uncertainty, ensure planning and innovation, co-ordinate, administer, control and supervise the routine works of the enterprises. They are to make investment decision under conditions of uncertainties and to take decision so as to increase production. The entrepreneurs search and discover economic information and translate them into new marked techniques and goods and seek and discover economic opportunities and evaluate them and marshal the financial resources necessary for the enterprise.

IV. Growth and Development of Entrepreneurship

Development of entrepreneurial talents seem to be the only way out to meet the twin needs of creating employment opportunities and much needed industrialisation of the backward areas. Papanek (1962) observes that within any society, only a limited number of individuals have entrepreneurial attributes in sufficient degree to be actual or potential entrepreneurs. A developing economy use to possess talent entrepreneurial attributes and both economic and non-economic factors play a useful role in hamessing the channels producing accelerated development of the economy. Rao and Gladys (1965) advocate tri-dimensional categorisation of factors responsible for the growth and development of entrepreneurship viz. factors providing inducement to :

- (i) existing entrepreneurs in a particular industry ;
- (ii) the entry of new entrepreneurs ; and

(iii) Movement of entrepreneurs from one industry to another.

Economic objectives of the plans, creating a self-reliant and self-generating economic provide incentives to the growth of industrial entrepreneurship in general and private entrepreneurship in particular. Initiative, social climate and cultural heritage are also required for the development of entrepreneurship. The government actions influence on the growth of entrepreneurship.

Technological, legal, political, economic, demographic, ecological and cultural elements are helpful in developing entrepreneurship. Socio-economic characteristics viz., community, occupation, educational level, earnings at the time of entry into entrepreneurship, rural / urban background and the pattern of families are conducive for the growth and development of entrepreneurship. Socio-psychological factors including family, peer group, formal and informal associations, financial capabilities, availability of materials and technology are also responsible for the entrepreneurial development. Personality, need for achievement aspiration for better standard of living, establishment of social status, mental ability and technical knowledge and the social and political environments are the most vital factors conducive to the creation of an environment for the growth of entrepreneurship.

A successful entrepreneur should have perseverance and hard working habit, risk-taking ability, high aspiration, willingness to learn, dynamic and creative nature, adaptability, innovativeness, good salesmanship, ability to win friends and overcome crisis, initiative, self confidence, will power, determination to succeed, pleasing personality and tactfulness, high integrity, responsibility, excellence in work and perception of time. The success of entrepreneurship depends on some personality factors also viz., self-knowledge, imagination, practical knowledge or experience, analytical ability, search skill, foresight computational skill, communication skill, delegation skill and organisational skill, The entrepreneurs who are sociable, adaptable, truthful, co-operative, logical, aggressive, persevering, practical, patient, independent, tough-minded, emotionally mature and free from anxiety become highly successful in their ventures. The successful entrepreneur is a person or group of persons who has tact, patience, sagacity, and powers of observations, discrimination and forecasting being a good judge of human nature and possessor of the qualities of leadership.

Development of entrepreneur depends on the following factors.

- 1) Availability of Materials
- 2) Availability of Technology
- 3) Independence
- 4) Ethnic Origin
- 5) Skills
 - a. Project Development Skill
 - b. Enterprise Management Skills
- 6) Age of the Entrepreneur
- 7) Training and Previous Experience
- 8) Choice of Line of Manufacture
- 9) Friends

10) Peer Group

The peer group has a definitive influence on the development of entrepreneurship (Singh, 1986).

The following psychological factors are responsible for the growth and development of entrepreneurship.

- i) Perceptual ability ;
- ii) Risk-taking propensity;
- iii) High frustration tolerance ;
- iv) Openness to feedback ;
- v) Emotional stability;
- vi) Calmness and co-operativeness;
- vii) Ability to express hostility tactfully;
- viii) Ability to accept victory and defeat without too much emotions;
- ix) Positive self-concept;
- x) Self-confidence;
- xi) Patience and sagacity;
- xii) Energetic and resourceful ;
- xiii) Ability to adjust to changing condition ;
- xiv) Inner awareness of self as a permanent organising force;
- xv) Intellectual abilities;
- xvi) Self knowledge and imagination;
- xvii) Analytical ability and foresight ;
- xviii) Search skill, computation skill, communication skill delegation skill and organisational skill ;
- xix) Expectancy and motives ;
- xx) Mental alertness

The following sociological factors are responsible for the growth and development of entrepreneurship

- 1) Family
- 2) Caste / Community
- 3) Educational Background
- 4) Economic and Social Environment
 - a. Economic Status
 - b. Religion
 - c. Culture
- 5) Political Environment
- 6) Social Responsibility

V. Conclusion

For economic development of any country, the development of entrepreneurship is essential. The entrepreneurs are the prime movers of the economic activities. They are the pioneers in the field of economic development. The country which is rich in entrepreneurship can attain the economic success and ensured the economic augmentation. The entrepreneurs constantly strive to innovate new and newer things to serve the country. The economic success of the entrepreneurs of any country spreads over the boundary of the country and influence the global economy. The entrepreneurs organise the economic ventures for producing goods and services at lower cost with the objects of maximisation of profits and thereby contributing to economic development. Entrepreneurs play a very important role in generating of new employment and setting up of new business. So, entrepreneurs may be treated as the emerging potentials for economic development, especially in less developed or under developed countries. In the era of globalisation, the development of entrepreneurship is the key factor for ushering economic prosperity and well-being of any country.

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