

GLOBALIZED PERSPECTIVE ON EMERGING TRENDS IN ENTREPRENEURSHIP – A REVIEW**Dr. A.V.V.S. Subbalakshmi^[1], Swayam Kumar Tibrewal^[2], Ines Khandelwal^[3]**^[1] Assistant Professor, VIT University, Vellore.^[2] Senior-ECE, VIT University, Vellore.^[3] Junior-CSE, BITS Pilani, Pilani.**ABSTRACT**

The basic aim of this paper is to highlight the importance of Entrepreneurship in a developing country like India. Entrepreneurship is perceived as the creation of an innovative venture aiming to solve real life problems. Entrepreneurship helps to improve the economy of the country by creating employment opportunities which is of paramount importance at present. The paper showcases the change in meaning of Entrepreneurship over the years and also focusses on the new definition as defined in the modern age. Determinants leading to a successful venture of an Entrepreneur has been given light upon. The paper seeks to identify the factors that characterizes Entrepreneurship in the modern scenario. Spreading awareness among the masses about Entrepreneurship as a career path and informing them about the challenges and benefits associated with it, is also highlighted in this paper.

Keywords: Entrepreneurship– Innovation – Economy - Employment opportunities - Career path.

INTRODUCTION

Entrepreneurship has long been valued as a key contributor to the growth of an economy. It is widely believed that economies that are abundantly supplied with entrepreneurs will tend to grow far more rapidly than those in which entrepreneurial talent is scarce. The entrepreneur continues to play a critical part in the growth process, and there is no reason to expect that role to disappear. [1]

To set up a new business firm is, more or less by definition, an entrepreneurial act. But what happens afterward? Why do some firms continue to create new employment and find innovative solutions to old problems, whereas others-the majority-remain small and behave in accordance with the traditions of their respective industry? Many factors may influence growth in small firms. Some factors are external to the firm, such as taxes, legislation, and the conditions on the product market, the labor market, and the financial market. Other factors are internal to the firm or to its manager, i.e., existing resources and the competence and goals of the manager and his/her employees. All of these factors may affect either the ability to grow, the willingness to grow, or both. [2] Entrepreneurs' attitudes and their decisions pertaining to growth, influences the growth of small organizations. The growth agenda, however, varies from one entrepreneur to another even when they operate in the same market. Patel [3] in his book *The Seven Business Crises* similarly viewed that entrepreneurs' attitudes are important for growth as most of the problems lie within the venture rather than outside it. He advocated for a carefully crafted strategic growth plan with a high degree of entrepreneurial intensity in order to create a niche. [4]

Change in the meaning of Entrepreneurship

Over the years, Entrepreneurship has been defined in different aspects by authors across the Globe as presented in this paper. Additionally, the modern view of Entrepreneurship as perceived is also highlighted. Entrepreneurship is all about the identification of an opportunity, creation of new organization, and pursuing new ventures (Carton et al. 1998) [5]. There are many studies done on entrepreneurship like external skills required in entrepreneurs. For example, Schumpeter (1934) [6] has stated that an entrepreneur needs to be innovative, creative, and should be able to take risk. Wickham (2006) [7] has also supported his views.

Pajarinen et al. (2006) [8] have said that entrepreneurs with higher academic background are more innovative and will use modern techniques and models to do business. Barringer and Bluedorn (1999) [9] have described entrepreneurs as individuals who can explore the environment, discover the opportunities, and exploit them after proper evaluation. Kuratko (2009) [10], in his book, distinguishes between entrepreneurs and small business owners. He highlights that these two terms are often used interchangeably, but both have a lot of differences in their reaction under certain situations.

An entrepreneur aggressively focuses on innovation profit and growth of the enterprise. On the other hand, a small business owner's objective and focus is mostly on managing stable growth, sales, and profits. Entrepreneurship in the modern age is no longer perceived to be as risky as it was in the olden days. A large number of Start-ups are leading to the growth and development of the economy. This paper defines Entrepreneurship in a new manner. It's a freedom from corporate serfdom and free flow of thought to convert an idea into a viable product capable of dealing with real life problems. As per the survey done by Wells Fargo/Gallup Small Business Index, based on telephone interviews conducted on March 31-April 4, 2014, 42% of the respondents chose "Independence" as the major criteria for starting out on their own. No other factor came closer in the list of reasons with the next factor being "Job Satisfaction" at a significantly less level, about one third of the value at 17%. This leads us to conclude that entrepreneurship is indeed defined as freedom and independence of thought.

Wells Fargo/Gallup Small Business Index

What would you say has been the most rewarding thing about starting and running your own business? (Open-ended)

	Total %
Being my own boss/Independence/Being the decision-maker	42
Job satisfaction/Sense of accomplishment/Pride	17
Work my own schedule/Flexible/Having more family time	12
Interacting with customers	11
Financial rewards/Money	7
Creating jobs/Employment	2
Community involvement/Giving back to community	1
Working with family	0
Other	3
None/Nothing	4
Don't know	1

March 31-April 1, 2014

GALLUP

Figure: Wells Fargo/Gallup Small Business Index [11]

DETERMINANTS OF ENTREPRENEURSHIP

To determine determinants of entrepreneurship, we start with finding models that incorporate the life cycle of an organization. Many such models have often been based on biological systems with researchers trying to find analogy between development of organism and that of an organization [12]. Developmental and stage models are two different approaches for measuring this change. The fundamental difference is that of discontinuity. By its very definition, a developmental model is continuous whereas a stage model is discontinuous. Even though developmental methods are more suited to mapping a startup's growth yet stage models are chosen for their simplicity and familiarity, generality, visual attractiveness and linear determinism [12]. The stage model enables us to look at different stages individually and thereby come up with deterministic factors for each separately.

The interaction between situational constraints and the personal characteristics of the founder as a significant constraint on the shape of the early chapters of an organization's biography, the tension between innovation and institutionalization, the transition from personal to impersonal and from collective to instrumental metaphors-all are themes that transcend any particular organizational setting. [13]

Internal Social Control

Internal social control is established and maintained during the early stages of development on an effective, personalized basis. The founder must devote an enormous amount of time to pattern maintenance activities, maintaining an open door policy, and encouraging interaction. [13]

Managing Relationships

The relationships must be managed keeping both a public face and that of employees under consideration. These involve analyzing the demands of customers from the organization and maintain a public face that corresponds to it while not confronting it with the employee's interests.

Ensuing Developments

The first four years of the new organization's existence witnesses many interesting and dramatic changes-both quantitative and qualitative-in its structure and operations. As the organization grows, it became more conservative. The initial period of heady enthusiasm gave way to a period of negotiating the terms for continued existence. [13]

Analytically, one might argue that the emerging dominance of instrumental orientations at the level of individual persons involved with the organization was not only perhaps inevitable, but also was a necessary condition for effectiveness. To the extent that each participant was able to maximize his or her own personal goals, the organization as a whole would be more effective [14]

CONCLUSION

Thus, Entrepreneurship is beneficial for sustaining the economy of any country. In a developing country, Entrepreneurship is the need of the hour. It helps to bridge the gap between the poor and the rich by improving the economic conditions of the society as well as providing employment opportunities as a whole. Entrepreneurship in the modern age should be characterized by Freedom. Freedom of thought and expression, Freedom to build upon one's ideas and express it in the best possible manner. There are many factors that govern the successful entrepreneurial journey and thus Freedom being the major one.

The other determinants of an entrepreneurial venture are Internal Social Control, Managing Relationships and Ensuing Developments.

References

- [1] Baumol, William J. "Entrepreneurial enterprises, large established firms and other components of the free-market growth machine." *Small Business Economics* 23.1 (2004): 9-21.
- [2] Davidsson, Per. "Entrepreneurship—and after? A study of growth willingness in small firms." *Journal of business venturing* 4.3 (1989): 211-226.
- [3] Patel, V.G. (1995). *The seven business crises—how to beat them*. New Delhi: Tata McGraw-Hill Publishing Company Limited
- [4] Majumdar, Satyajit. "Modelling growth strategy in small entrepreneurial business organisations." *Journal of entrepreneurship* 17.2 (2008): 157-168.
- [5] Carton, RB, Hofer, CW, & Meeks, MD. (1998). The entrepreneur and entrepreneurship: operational definitions of their role in society. Paper presented at the annual International Council for Small Business Conference, Singapore
- [6] Schumpeter, JA. (1934). *The theory of economic development*. Cambridge: Harvard University Press.
- [7] Wickham, P. (2006). *Strategic entrepreneurship* (4th ed.). London: Financial Times Prentice-Hall.
- [8] Pajarinen, M, Rouvinen, P, & Ylä-Anttila, P. (2006). Uusyrittä jien kasvuhakuisuus, KTM julkaisu 29/2006. Helsinki: Ministry of Employment and the Economy.
- [9] Barringer, BR, & Bluedorn, AC. (1999). The relationship between corporate entrepreneurship and strategic management. *Strategic Management Journal*, 20(5), 421–444
- [10] Kuratko, DF. (2009). *Entrepreneurship, theory, process and practice* (pp. 1–22). Nashville: South Western Publication. Leitch, C, Hill, F, & Neergaard, H. (2010). Entrepreneurial and business growth and the quest for a 'comprehensive theory': tilting at windmills? *Entrepreneurship Theory and Practice*, 34(2), 249–260.
- [11] http://www.gallup.com/poll/169592/small-business-owners-again.aspx?utm_source=tagrss&utm_medium=rss&utm_campaign=syndication
- [12] Stubbart, Charles I., and Roger D. Smalley. "The deceptive allure of stage models of strategic processes." *Journal of Management Inquiry* 8.3 (1999): 273-286.
- [13] Kimberly, John R. "Issues in the creation of organizations: Initiation, innovation, and institutionalization." *Academy of Management Journal* 22.3 (1979): 437-457.
- [14] Cummings, L. L. Emergence of the instrumental organization. In P. S. Goodman & J. M. Pennings (Eds.), *New perspective on organizational effectiveness*. San Francisco: Jossey-Bass, 1977, 56-62.