

ENTREPRENEURSHIP AND ITS RELATED CONCEPTS

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Table of content

Introduction	3
What is entrepreneurship?	3
The concept called intrapreneurship	4
Who is an entrepreneur?	4
Characteristics of entrepreneurs	5
Risk-taking	6
Passion	7
Locus of control	8
Organizations for Profit	9
Not-for-profit organizations	10
Conclusion	11
References	12

Introduction

According to Lazear (2005), entrepreneurship can be seen as a process of bringing together important factors of production which can be human, physical and information resources, and doing so in a well-organized manner. All the various skills, talents, knowledge and ideas that encourage entrepreneurship can be seen in people world over. This further means that there is a new direction which can be seen as a paradigm shift from times when forces engineering economic growth seemed to tilt towards established business persons within the corporate world; however, with the new changes the world is experiencing, a number of younger people are now well positioned for entrepreneurial activities (Dollinger, 2008). This essay sets out to examine and apply concepts and knowledge about entrepreneurs, intrapreneurs and entrepreneurship, focusing on their characteristics, attributes and motivations. It can be said the concept of entrepreneurship is quite broad with several sub concepts. It was also observed that these sub-concepts still have the underlying theme of entrepreneurship which revolves around innovation and risk-taking.

What is entrepreneurship?

Onuoha (2007) states entrepreneurship as the practice of beginning new businesses or stimulating older businesses, especially new ones in response to opportunities that become available to them (cited in Eroglu and Picak, 2001). Eckhardt and Shane (2003) also explain entrepreneurship as the discovery, evaluation and exploitation of future goods and services. Organizations have their guiding mission statement and entrepreneurship also help contribute to the success of the business (Diandra and Azmy, 2020). Cunningham (1991) states that there are six schools of thought regarding entrepreneurship. These are:

- The leadership school of entrepreneurship which believes that entrepreneurs are leaders who have the ability to modify their style to suit the needs of people
- The classical school of entrepreneurship opine that entrepreneurial behaviour is centred around innovation, creativity and discovery
- The management school of entrepreneurship which see entrepreneurs as the coordinators of an economic venture; they organize, arrange and assume risks
- The intrapreneurship school of entrepreneurship state that entrepreneurial skills can be used within organizations, as intrapreneurship is the development of unique units which can market and expand services within a firm.
- The great person school of entrepreneurship believes that entrepreneurs are born with a sixth sense, and without this natural intuition, they would be like any other person

- The psychological school of entrepreneurship sees entrepreneurs as people who have distinct attitudes, values and needs that motivate and push them.

The concept called intrapreneurship

This is a process in employees identify and make use of opportunities by being innovative, proactive and taking risks so that their organization can bring about new products, processes and services, as well as initiate new business which will help increase the competitive advantage and performance of the company (Neessen et al, 2018). A number of organizations have many creative ideas which may never see the light of day. However, entrepreneurship is the process that transforms these ideas into reality and when this happens within a big company, this can be referred to as interpreneurship (Chamorro-Premuzic, 2020). Some characteristics of intrapreneurs include: innovativeness, proactiveness, opportunity recognition and exploitation, risk-taking and networking (Neessen et al, 2018).

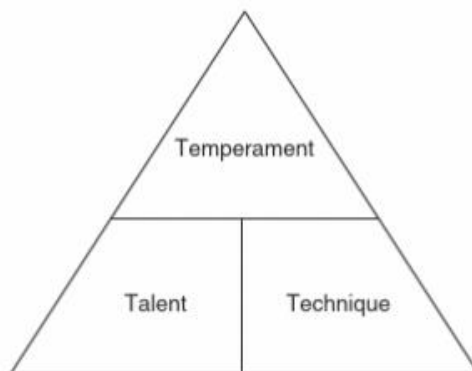
'Unlike entrepreneurs, intrapreneurs work with an existing company's resources. They're not building something entirely from scratch, nor are they risking their own money. They're creating something that hasn't been done before or done quite the same way' - MIT Sloan professor Michael Cusumano (cited in Somers, 2018).

It can therefore be inferred from the above that intrapreneurs are creative people who would rather be employed by large organizations and look for ways to ensure their ideas are executed for the benefit of the company and their environment at large. This attribute greatly differs from the concept of entrepreneurship as these set of people who are driven by passion and self-realization ensure their creative ideas are executed and in turn adds value to their communities and world at large.

Who is an entrepreneur?

Jose De La Torre (2015) opines that an entrepreneur is a driver, a challenger and an initiator. This is an individual who creates something from scratch; they start a project, business, initiative or venture. Bolton and Thompson (2013) also state that an entrepreneur is someone who can break the mould as well as create something out of nothing. Hayes (2021) further adds that entrepreneurs are very important in the economy of a nation as they use their skills and initiative to improve the market place. An entrepreneur is an individual who is greatly motivated by intrinsic psychological and also economic rewards; he meticulously ventures into an entrepreneurial endeavour and this is meant for his personal satisfaction in work, ego or status

Bolton and Thompson (2013) devised a framework to explain who entrepreneurs really are, and they called this the performance triangle of talent, temperament and technique. Talent according to the Cambridge dictionary (2021) is a natural ability to be good at something, especially without being taught. The APA dictionary of psychology (2021) defines talent as the foundation of personality which is said to be biologically determined. These could be mood, energy levels, willingness to explore behavioural inhibition amongst other things. Technique, based on the Collins dictionary (2021) is a specific way of conducting an activity; it is usually a method which involves practical skills. An illustration of an individual with the interplay of talent, temperament and technique was Len Hutton. Bridge et al (2009) explain that Len was a naturally talented batsman who got coached at an early age by someone who taught him the technique of batting. It was also said of Len that he had a great focus and concentration abilities and this led him to set a world record in batting.



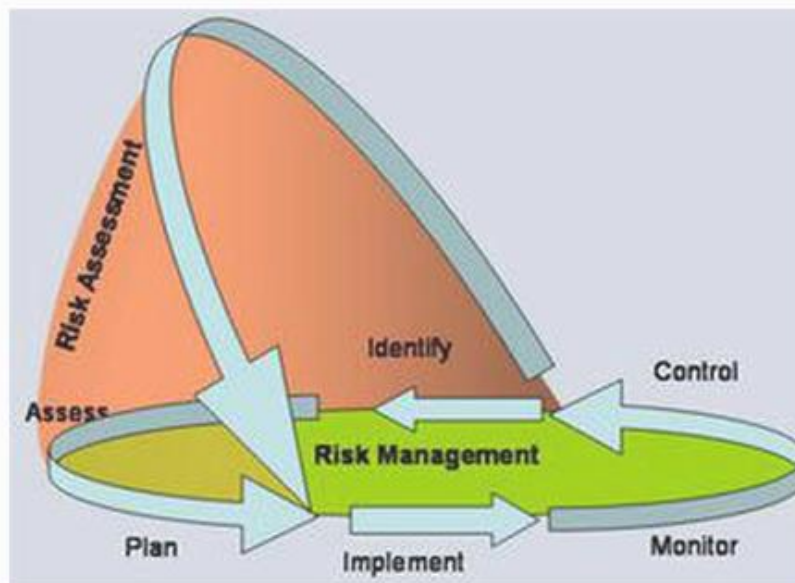
(Bolton and Thompson, 2013).

Before an entrepreneur embarks on any entrepreneurial activity, they need to plan and organize what they need to do and how they want to approach things. These activities highlight different idiosyncrasies of the entrepreneurs. Below are some of the characteristics that entrepreneurs wield to be successful in their chosen areas of profession.

Risk-taking

According to Lopera and Marchard (2018), entrepreneurs daily encounter a lot of risk-taking decisions than an individual who works in paid employment. Whilst a number of theories suggest that high entrepreneurial risk should yield significant returns, this is not always the case (Vereshchagina and Hopenhayn, 2009). Carosa (2020) opines that risk taking is tantamount to good investing as no risk would yield no return. This is the reason entrepreneurs make decisions similar to stock investors, the major difference being that whilst stock investors invest in other people's businesses, the entrepreneur does this for their own business.

Leonard Green, an entrepreneur and MBA professor made a statement that entrepreneurs are not risk takers but calculated risk takers as the difference between the two is similar to the difference between success and failure. Risk takers according to Leonard Green bet all at once and once they fail, they hardly recover from it. However, entrepreneurs who are calculated risk takers find avenues to reduce risk. They use the Act, Learn, Build, Repeat model which shows that they are risk adverse (Brown, 2013).



Risk management process

(Brown, 2013).

There are many entrepreneurs who have stories to tell regarding the calculated risks they had to take to become successful, one of who is Oprah Winfrey. She dropped out of Tennessee State University to become the first African-American radio show host. She worked her way to ensuring the show's ratings were tops before she decided to launch her own show. This eventually became

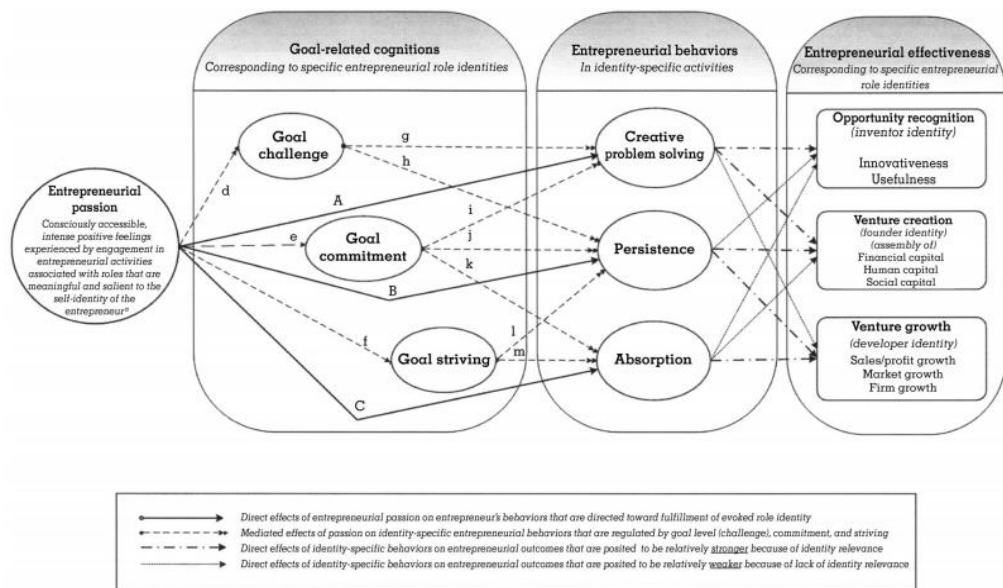
the highest rated program in history, with 25 seasons from 1986-2011 after which she proceeded to starting her own channel called the Oprah Winfrey Network (Cummins, 2016). One of her quotes on taking risks from Bluerock (2016) is:

“Do the one thing you think you cannot do. Fail at it. Try again. Do better the second time. The only people who never tumble are those who never mount the high wire. This is your moment. Own it.”

Passion

Another trait that stands an entrepreneur out is the passion they have for their business. Vallerand et al (2003:757) explain passion to be *‘A passion as a strong inclination toward a self-defining activity that one likes (or even loves), finds important, and in which one invests time and energy on a regular basis’*. Barringer and Ireland (2019) further buttress this point of passion by mentioning a statement made by Patrick Whaley which states that it is the motivation of an idea that keeps it going even during uncertain times. entrepreneurs who are passionate make use of their potentials and most times style their businesses according to their identity and ensure they commit as much time and resource needed to make their businesses a success (Forest et al, 2012).

Cardon et al (2009) created a model to explain the process that activates passion in an entrepreneur. They state that when entrepreneurial passion is activated, it leads to different outcomes. There are also various indicators which can be categorized into opportunity recognition, venture creation and venture growth. They also argue that focusing on role fulfilment for each identity is about emphasis on the goal matching a specific set of outcomes and this is differently affected by various entrepreneurial behaviours.



A framework on entrepreneurial passion

(Cardon et al, 2009)

An example of a passionate entrepreneur was Henry Ford. He kept forging ahead despite several business failures. It is said that the Ford Motor Company was a third attempt at beginning an automobile manufacturing business. It took fifteen years after he started the production of the Model T which was his dream car to become the main automobile on the streets of the United States (Anderson, 2011). Whilst passion is a good motivation to encourage entrepreneurship, Barringer and Ireland (2019) argue that there are other factors involved in ensuring the successful execution of a business idea. They state that effective business ideas happen when passion combines with appropriate skills and is domiciled within a legitimate business opportunity.

Locus of control

According to Rotter (1954), this is a concept stating that individuals who have an internal locus of control are of the opinion that success and failure are conditional on the amount of effort put into what an individual believes in; they also believe they can control their fate. Conversely, (Lii and Wong, 2008) state people who have an external locus of control believe that fate comes by chance as they do not have control over it (cited in Hsiao et al, 2015). People who have an internal locus of control are positive that they can affect outcomes through their own effort or skills, rather than external forces which control outcomes (Kerr, 2017). However, in a study conducted by

Auna (2020), he argued that the influence of internal locus of control is not an important factor in being an entrepreneur and this is because self-efficacy can facilitate the influence of internal locus of control. This further means that if an individual has the ability of controlling personal life events as well as good internal locus of control, they can be confident in their abilities and this will push them to behave in an entrepreneurial manner.

Organizations for Profit

Organizations have different structures, needs and goals and these needs are important for the short and long-term success of these companies. There are two major organizational structures: for-profits and not-for-profits; and they have various missions and visions, target audiences and problem-solving strategies (Norwich University, 2016). From the nomenclature of the organization, an individual can tell what their aims are. A 'for-profit' organization indicates that the business is out to make money (Leonard, 2019). In this type of organization, the proprietors have the deciding power to retain the company's profits or share with various stakeholders connected with the company (McNamara, 2021). Whilst the major aspect of for-profit organizations is that they generate income, the entrepreneurs behind them did not start off the businesses because they were looking for financial gains. In a 2017 interview with CNBC, Richard Branson, the businessman behind the Virgin Group was quoted saying:

"What I love doing is creating things I can be proud of, and if you create things that you can be proud of, the byproduct of that can be that you become a millionaire or you become a billionaire, because people like what you've created."

Richard Branson began his entrepreneurial journey early after dropping out of high school at 16 years to start up a magazine for students. Few years later, he created Virgin records. Now, Virgin group has over 60 businesses including a space and airline company amongst others and they cater to over 50 million customers globally (Clifford, 2017). The above quote from Richard Branson can be empirical research as a study by Staniewski and Awruk (2015) entrepreneurs are motivated by different internal motives such as self-realization, self-satisfaction and independence, and these internal motives are more important than the external ones. Therefore, it can be argued that Mr. Branson started his business conglomerate due to his passion and drive to create processes that add economic value and one of the results of the value created is the financial rewards that are being constantly generated.

Not-for-profit organizations

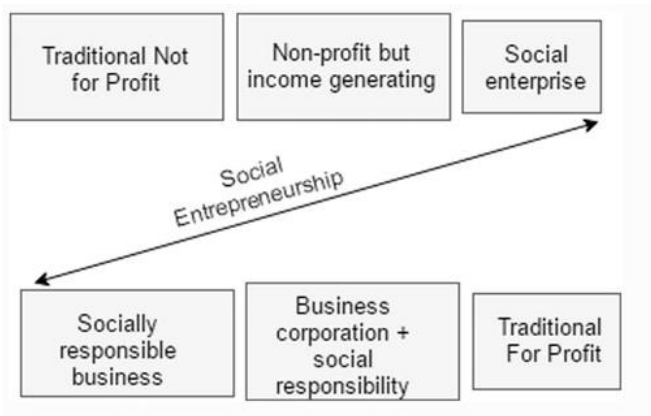
According to Carroll (2018), not-for-profit organizations are companies who do not pay tax and they exist to serve public interest like charitable, scientific, educational causes. The Oxford reference (2021) also explains the concept to be '*A legally constituted group organized for purposes other than generating profit and in which no part of the organization's income is distributed to its members, directors, or officer*'. Kenton (2020) opines that an individual can notice a need within their immediate community and put together a business plan which will detail some objectives the organization intends to achieve and the plans they will put together to meet these goals.

There is another term that explains entrepreneurs who do what they do because they want to solve certain social issues surrounding them; this is called social entrepreneurship. Martin and Osberg (2007) define this term as intentions by entrepreneurs to push societal transformations as they focus on certain issues of social importance as well as empower transformational progress throughout. Chudasama (2021) further adds that the value proposition in social entrepreneurship is unique due to the fact that it gives money-making a heart and a noble social cause. It is fast becoming an important factor in the global discussion of civic commitment and volunteerism. A social entrepreneur, Caroline Wanjike, the CEO of Daproim Africa Limited, an outsourcing social enterprise which provides premium data management services to numerous organizations said in an interview that:

"I am a social entrepreneur because of the fact that I am not only in business for the money, but I am passionate about social impact and helping the underserved people."

These social entrepreneurs create ideas and ensure they do their best to ensure their ideas thrive so that these manifested ideas can bring about positive change to people's lives (Chudasama, 2021).

Some of the traits that are inherent in social entrepreneurs include: focus, resilience and tenacity (Utlely, 2018). The concept of social entrepreneurship means different things to different people. however, Gandhi and Raina (2018) argue that whatever definition used to explain the terminology should characterize the importance for a substitute market program that works for business entrepreneurs. This is because of the fact that a number of people see social entrepreneurship as not-for-profit or earned income ventures, while some other people see it as entrepreneurs who infuse social responsibility into their processes.



Different categories of businesses

Gandhi and Raina, (2018).

Conclusion

This report set out to analyse concepts about entrepreneurship and related themes such as entrepreneur, intrapreneur, and the type of businesses they set up (profit and not-for-profit organizations). It can be deduced that entrepreneurs are individuals who are motivated by an innate passion to create a product or service that can add value to human existence. They also have similar traits such as resilience, passion and not being motivated by money. There are also other individuals who have decided to become entrepreneurs because they want to be socially relevant and address social issues plaguing the society. Then the final category would be those who would rather use their skills and expertise to ensure the organizations they work for increase their competitive advantage via their innovative outputs. Therefore, it can be concluded that there are similarities amongst these concepts and some of them are: all individuals who are within these categories are change agents (constantly looking for innovative ways to improve existing economic or social conditions). However, it is worthy of thought to wonder if another concept will arise in the distant future which will classify another set of people who decide to focus on an aspect, for example, environmental entrepreneurs who are using their passion about the environment to bring about the desired change. Would this also mean that these new concepts are still sub-divisions of the broad entrepreneurship concept or they would have other classifications. This thought is based on the premise that if other concepts are being added, then these will add to the difficulty of trying to define what the original concept really means. All these however is subject to further research on the subject matter.

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