

Concept of Entrepreneurs and Entrepreneurship- A Critical Review

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Abstract:- Entrepreneur and entrepreneurship are the buzzwords in different circles and economic literature. Nevertheless, these concepts have been discussed over two centuries by many authorities. But still controversies continue to surface these concepts. The primary objective of this article is to resolve such state and to arrive at a conclusive consensus on these concepts through a critical review of previous studies, thereby arriving at an exhaustive definition by having a creative blending of ideas much aired on the subject, which is reflective of the overall face of the concepts though not with all-inclusive elements but without sacrificing any of those features considered conceded by earlier authorities. It is believed that this article will surely clarify in depth the concepts with conclusive definitions that skull out the vital characteristics of a successful entrepreneur and of entrepreneurship thereupon, from the process elements of entrepreneurs.

Keywords:- Concept, Critical-Review, Entrepreneur, Entrepreneurship.

I. INTRODUCTION

To start with, it would be appropriate to trace how the words entrepreneur and entrepreneurship got introduced into economic thought. Rothbard¹ critically observed that Jean-Baptiste Say and Joseph Schumpeter were behind the introduction of the concepts entrepreneur and entrepreneurship respectively. Followed by them, many authorities gradually started defining these concepts divergently. In an acknowledging tone, Borkchuas and Horwitz also dittoed that an array of writing took the same stand admitting absence of a standard definition of entrepreneur², so also entrepreneurship say Thomas Falcone and Stephen Osborne³ by drawing inferences from diverse special definitions by several authorities on entrepreneurship based on their personal conception

believed to portray the true picture of entrepreneurship. The mounting plethora of intricate and varied connotations invariably speak of all-embracing vastness of prowess, cerebration, intents and tangible compartments that tend to outwit efforts concerned with arriving at an undisputed definition, leaving every abridged nub of the twin concepts under unconvinced⁴. So it is evident that despite several studies, the definition of ‘entrepreneur’ and ‘entrepreneurship’ still remains a continuing debate, since each of the annotation portrays some contrasting connotation about entrepreneur and entrepreneurship. Perhaps, the reason could be the difficulty in comprehending the overall crux of the concepts. In an admitting tone, Mark Casson⁵ is also of the view that articulating ‘man’ and ‘matter’ elements constituting the discipline entrepreneurship is acutely cumbersome. Therefore, it is pertinent to have a critical look at some of the important definitions for understanding these two concepts in depth. In strengthening the foregone arguments Davidsson⁶ airs that the extant definitions have been only partially centering on the innate expertise that typify an entrepreneur, the practices and procedures that exemplify the entrepreneurship and the resultant outcomes that the trade heads towards. Precisely, it could be inferred that all definitions revolve around the entrepreneur- a strategic, vision-led person with some unique skills meeting new value-added essentials; entrepreneurship- the process of establishing a daring but innovative profitable venture despite given risks and uncertainties; and the enterprise- the outcomes of the actor and acts. Extracting the nitty-gritty of definitions, in turn explains the concepts in-depth by characterizing each essential, from where we could get the person perspective of an entrepreneur as well as the process standpoint of the entrepreneurship. This is done with the primary intention of reaching at a consensus in defining the concepts covering core elements aired so far by so many.

¹ Rothbard, Murray, Man, Economy and State, Auburn Ala, Ludwig Von Mises Institute, Ed. 1962.

² R. Brockhaus and P. Horwitz, “The Philosophy of the Entrepreneur” in D. Sexton and R. Smilor (Ed), The Art and Science of Entrepreneurship, Cambridge, MA: Ballinger, 1985, p.26.

³ Thomas Falcone and Stephen Osborne, Entrepreneurship: A Diverse Concept in a Diverse World, University of Pennsylvania, Indiana

⁴ Thomas Falcone and Stephen Osborne, Entrepreneurship: A Diverse Concept in a Diverse World, University of Pennsylvania, Indiana

⁵ Casson, M. The entrepreneur: an economic theory, Martin Robertson, Oxford, 1982.

⁶ Davidsson, P., “The domain of entrepreneurship research: some suggestions”, in Katz, J. and Shepherd, D. (Eds), Cognitive Approaches to Entrepreneurship, Vol. 6, Elsevier Science, Cambridge, MA, 2003, pp. 315-72.

II. DEFINITIONS ON ENTREPRENEUR- TOOLS TO DRAW IMPORTANT CHARACTERISTICS OF AN ENTREPRENEUR

- Jean Baptiste Say⁷, picturizes an entrepreneur as a *pecuniary go-between involved in creating a product by mobilizing and using scattered factors of production, selling it in the market, paying operating costs and retaining the remaining amount as profit*'.
- In the observation of National Council of Educational Research and Training (NCERT)⁸, *an entrepreneur is identified as a gap-filler who plugs the vacuum of unavailable but badly needed social goods and services by making them readily available through his or her enterprise*'.
- To Schiebel,⁹ *effective entrepreneurs excel in displaying triple unique traits- outcomes controlling, trouble shooting, and social influencing.*
- Hogshead¹⁰ lauds an entrepreneur as a *'human engineer well-versed in communication, negotiation and leadership*'.
- Frese and Gielnik¹¹, extols an entrepreneur as *'an awesome all-rounder with versatile skills- a miniature of excellent business personality.*
- Henry et.al¹², exalts an entrepreneur as *a foreseer cum appraiser of commercial avenues, mobilizer of necessary resources and implementer of actions needed for success in business.*
- Arasti et.al¹³, celebrates an entrepreneur as an *'innovator during start up, diversification and expansion phases*'.
- Richard Cantillon portrays yet other unexpressed facets of an entrepreneur as *self-employed, intermediary between a supplier and a buyer, speculator, and uncertainty-bearer.* It is worth mentioning here that Cantillon has been looked upon and acknowledged as the fountain head for entrepreneurship.
- To Knight,¹⁴ an entrepreneur is *one usually with high level of risk-taking propensity.*
- According to Baumol¹⁵, *an entrepreneur is prolific in devising means that enhance own affluence, supremacy and statuses.*
- Krizner,¹⁶ concedes entrepreneur as *'one who has information on and seizes and uses the overlooked market openings.*
- Joseph Schumpeter¹⁷, accolades an entrepreneur as the *spearhead of inventive technical and organizational changes in business blends- by bringing novel products, quality, mode of manufacturing, marketplaces, supplies, and industrial establishments for success.*
- Bolton and Thompson,¹⁸ eulogizes an entrepreneur to be *consistently demiurgic in enhancing the worth around conceived prospects.*
- To Hisrich¹⁹, an entrepreneur is *naturally ambitious and originative in reasoning, pragmatically organized, and risk bearing.*
- To P.F. Drucker²⁰, an entrepreneur is a *change-seer, seeker and maker.*
- For Thomas and Mueller, an entrepreneur is one who *mirrors the overriding values of culture of the country.*
- Hoyos-Ruperto et.al²¹ acclaim that an *entrepreneur is well-connected with those excelling in the related field to tap and benchmark shared expertise, experiences, and exchanges for efficient and effective progression in trade.*
- Shane²² asserts that an entrepreneur is *one with less amicability- an awesome quality most advantageous for handling and resolving*

⁷ G.Koolman, Say's Conception of the Role of the Entrepreneur, *Economica*, New Series, Vol. 38, No. 151, 1971, p. 274.

⁸ NCERT, Entrepreneurship Skills, 2018, P.135.

⁹ Schiebel, W (2002). Entrepreneurial Personality Traits in Managing Rural Tourism and Sustainable Business. In: *Agrarmarketing Aktuell 2002/2003*, 85-99.

¹⁰ Hogshead. S. *How the World Sees You*. New York: Harper Business. 2014

¹¹ Frese, M., & Gielnik, M. M. The Psychology of Entrepreneurship. *Annual Review of Organizational Psychology and Organizational Behavior*, 1, 2014.

¹² Henry, Hill and Leitch, Entrepreneurship education and training: can entrepreneurship be taught? Part.1 Education and Training, 47(2), 2005, p. 99.

¹³ Arasti, Zahra, Mansoreh Kiani Falavarjani, and Narges Imanipour, A study of teaching methods in entrepreneurship education for graduate students. *Journal of Higher Education Studies* 2, 2012, pp. 2–10.

¹⁴ Knight, F. *Risk, Uncertainty and Profit*. Kelly and Millman. New York, 1921.

¹⁵ Baumol, W.J., Litan, R.E. and Schramm, C.J. (2009). „Capitalismul bun, capitalismul rău și economia dezvoltării și a prosperității”, Editura POLIROM, București.

¹⁶ Kirzner, Israel, *Perception, Opportunity, and Profit*, University of Chicago Press, Chicago 1979, pp.38-39.

¹⁷ Schumpeter, J. *The Theory of Economic Development: An inquiry into profits, capital, credit, interest and the business cycle*, Harvard University Press, Cambridge, 1934.

¹⁸ Bill Bolton, John Thompson, *Entrepreneurs: Talent, Temperament, Technique (2E)*, Elsevier Butterworth-Heinemann, Linacre House, Jordan Hill, Oxford, 2004, p. 16.

¹⁹ Hisrich, R.D, *Entrepreneurship/Intrapreneurship*, *American Psychologist*, 45(2), pp. 209–222.(1990).

²⁰ Drucker, P. F. *Innovation and Entrepreneurship*, Harper Business, 1993, New York.

²¹ Hoyos-Ruperto D M et al, *Networking: A Critical Success Factor for Entrepreneurship*, *American Journal of Management*, 13(2), 2013.

²² S. Shane, *A general Theory of Entrepreneurship. The Individual-Opportunity Nexus* cit., p. 99

intricate circumstances and for seeking self-concerns.

Concluding remarks: Having gone through several of the above definitions, I prefer to conclusively define *“entrepreneur as a motivated, farsighted, speculative, and undaunting individual or a group with awesome versatile skills with which they scan, identify and seize profitable but risk-prone untapped market and economic opportunities by judiciously organizing, supervising, coordinating, controlling, and human engineering of all the scarce resources, means of production, and events related to an altogether new, value-added, creative, innovative and enterprising venture meeting a felt-need unmet otherwise”.*

We could sum up the core characteristics of an entrepreneur which subsequently end up in arriving at the features of entrepreneurship (hence needless to elaborate further as entrepreneurship is the reflective actions of the respective personal initiative and creative role played by

the entrepreneur) as tabulated hereunder in a logical sequence. But for a thorough understanding, I prefer to define entrepreneurship as *an overarching act by one or more with versatile skills in identifying, seizing, and managing an unexplored but risk-prone and profitable economic and market opportunity by adding value to it by seeing, seeking and making the desired change in the needed service or product, using creativity and innovation, based on projections of environment scanning. Such a process involves vital activities like meticulous resource mobilizing, organizing, envisioning, human engineering, influencing, networking, intermediating, events controlling and problem solving as effective ways that augment the affluence, supremacy and statuses of entrepreneurs.*

These characteristics of the concepts of entrepreneur and entrepreneurship, though not comprehensive, but were commonly considered and conceded by most of the authorities, as evidential from the table furnished below:

Entrepreneur (The person-elements)	Entrepreneurship (The process elements)
Single or collective	Involved by one or more
Self employed	Self-employment
Environment scanner	Environment scanning
Finder of means to enhance affluence, supremacy and statuses	Finding prospects to add affluence, supremacy and statuses
Market opportunity finder and user	Market opportunity finding and using
Organizer	Organizing
Gap-filler	Gap-filling
Far-sighted	Envisioning
Originative thinker	Originative reasoning
Innovator	Innovating during startup, diversification and expansion stages
New change seer, seeker and maker	New change prophesying, seeking and making
Value enhancer	Undertaking value addition activities
Resource mobilizer	Resource mobilizing
Controller of means of production	Controlling means of production
Intermediary between supplier and buyer	Intermediating
Coordinator	Coordinating
Supervisor	Supervising
Speculator	Speculating
Uncertainty and risk-bearer	Uncertainty and risk-bearing
Events controller	Events controlling
Leader	Leading
Communicator	Communicating
Negotiator	Negotiating
Trouble shooter	Trouble shooting
Socially influential	Social influencing
Human engineer	Human engineering
Well-connected	Networking with related experts to share and benchmark their expertise, experiences and practices.
An all-rounder	Being with versatile skills
Less amicable	The most intriguing and elusive quality for handling and resolving intricacies and for seeking self concerns.
Mirror of the overriding values of culture of the country.	Reflecting central values of the national culture.

Table 1:- Characteristics of Entrepreneur and Entrepreneurship (Adapted from reviews made)