



RESEARCH ARTICLE

Unveil the Portrait of Entrepreneurship

R.S. Veeravalli¹, Jayshree Suresh²

¹Research Scholar, SRM University, Clinical Professor (on sabbatical break), Great Lakes Institute of Management, Chennai, India.

²Former Dean, SRM School of Management, Kattankulathur.

ARTICLE INFO

ABSTRACT

Received: Aug 19, 2024

Accepted: Sep 15, 2024

Keywords

Entrepreneurship

Portrait

Philosophy

Psychology

Sociology

Inside - Outside

Outside - Inside

Push - Pull

On the basis of literature review, this conceptual article, unveils the Entrepreneurship in the form of a portrait. The portrait of Entrepreneurship is depicted from philosophy, psychology, sociology, political, economics and other theories. It raises the issue of whether entrepreneurship is the result of inside - outside, outside - inside or both approaches?. To examine the process of entrepreneurship, the theories are collate red into: inside - outside (Push), outside - inside (Pull) or both, The importance and impact of entrepreneurship are also highlighted. The process developed in this article could be further examined by the researchers.

***Corresponding Author:**

rsveeravalli@gmail.com

INTRODUCTION

The portrait of entrepreneurship is in the form of a sculpture. It emerges from a stone, wood, wax or metal. An artist with the help of tools gives a shape to the piece of material; an entrepreneur similarly chisels out the portrait of business from the market. He injects life into the portrait. Bill gates chiseled market and portrait of Microsoft emerged. Similarly, Ma Yun (Jack Ma) has developed portrait of Alibaba, Zuckerberg - Face book, Sergey Brin and Larry Page - Google, Steve Jobs - Apple, Bill Hewlett - Hewlett Packard, JRD - TATA, Azim Premji - Wipro and many others can be listed. Thus, Entrepreneurship is the process of developing business portrait. What drives the process of entrepreneurship? will be the focus of this article

ENTREPRENEURSHIP THEORIES

PHILOSOPHICAL THEORIES

Philosophy represents the soul of the portrait. It is grounded in values and philosophy. Here the unit is an individual entrepreneur. The vision of an enterprise is determined by the values and philosophy of founders of the business. It also drives the purpose of entrepreneurship? There is selflessness in entrepreneurship. Entrepreneurs are philosophers. The business portrait reflects their values for a noble cause of serving the customers and employees. They create wealth for what? To be distributed back to the society for a cause. Bill gates, Zuckerberg and many more turned philanthropist. The values of the founder entrepreneurs percolate down the firm. The portrait is the reflection of the values of the promoters. There is divinity in visualization and fore seeing the pattern at the startup stage in the entrepreneurship process.

PSYCHOLOGICAL THEORIES

The psychology of entrepreneurship represents the mind of the business portrait. McClelland (1961) studied the idea of entrepreneurship in the psychological viewpoint. This approach to entrepreneurship focuses up on the features of personality of the entrepreneur. McClelland highlights the significance of drive for motivation among entrepreneurs and desire for personal achievement is leading to entrepreneurship among them. McClelland theory of an achievement reflects that entrepreneurs are achievement oriented and that is what motivates them to become an entrepreneur. The trait theory is on the basis of personality traits which are inside and influences and pushes the person to become an entrepreneur. Baum and Locke (2004) investigated the relationship of entrepreneurial traits, skills and motivation for the subsequent growth of the venture. Collins, Hanges and Locke (2004) in their Meta- analysis examined the relationship of achievement motivation with entrepreneurial behavior. Baum et al. (2007) has collection of articles on psychology of entrepreneurship.

Sarasvathy (2001) developed the theory of effectuation and self-efficacy. This is what makes an entrepreneur entrepreneurial. Meta analytic findings of Frese and Gienek (2014) reveal that elements of personality such as self-efficacy, desire for achievement and entrepreneurial orientation are highly related with making and success of entrepreneurship. The psychology of entrepreneurship theory was further strengthened by the addition of other cognitive factors namely intelligence, familiarity over optimism and over confidence biases, risks and objectives, enthusiasm, inventiveness and impacts of emotions and feelings to psychology of entrepreneurship. Gabriella and James (2014) examined the fear of failure which prevented people from embracing the entrepreneurship. Fear of failure is viewed from psychology as well as sociology discipline.

The person who is working in her or his business activities that is contrasting from cooperative director stays unresolved. The examination demonstrates three exemplary subjects in the writing: accomplishment inspiration, risk taking inclination, and innovation for advancement Stewart (1999). Cuevas (1994) investigate the idea of entrepreneur', concentrating on his or her capacities and recognizing qualities as opposed to on different viewpoints, for example, the part of entrepreneurial benefit or the connection between the part of entrepreneurship and full scale financial adjust, or development forms.

Tur-Porcar et al. (2018) studied the elements that influence activities related to motivate business supportability. These elements are recognized with the earth, conduct, relation with human beings and movement of business activities. Shani and Fattahi (2017) mentioned that crucial and strong linkage is seen among other Psychological measurements of strengthening with organizational entrepreneurship. As per the consequences of the examination, authorities ought to give suitable conditions to the mental measurement of employees to make and fortify their entrepreneurship.

ISSUES

There is a thought that entrepreneurship is inside – outside. It is inside and manifests outside. Philosophy and Psychology of entrepreneurship view point takes the inside – outside approach. Researchers over the years came to the conclusion that the study of entrepreneurship is not adequate if it concentrates fully on features and behaviours of individual entrepreneurs (Van De Ven 1993). Going one step forward, the research by Van de Ven (1993) set out the basic factors comprising the environmental framework and combining the identified factors into a unified conceptual framework. This approach represented a major change in the initiatives towards understanding entrepreneurship success.

Mueller and Thomas (2001) suggest that few cultures are highly favourable to entrepreneurial attributes than others, but they do not question the basic assumption that entrepreneurial qualities are similar even among different cultures. Sociology deals with the relationship. Business has relationships with many stake holders. There are awards and recognition for the successful entrepreneurs. This is outside – inside approach. The influencers are outside which has impact on inside. It is a team work which is required for entrepreneurship to scale and grow. As pointed out by Muller and Thomas, some communities have entrepreneurship in their blood. They are business communities and in the Vedic times they were identified as vaishyas (banias – business community).

Thornton (1999) analysed the relation among sociology and entrepreneurship from supply side angle. The society plays an important role in respecting the entrepreneurship. The impact of entrepreneurship on society is in terms of improvement of quality of life, employment opportunities, and services. The wealth creation is the purpose of business. The entrepreneurship thrives on demand from the market. The objective and aim of entrepreneurship is to generate profit and surplus. The economic structure of capitalism encourages entrepreneurship. There is freedom for entrepreneurs in capitalism which attracts them. Entrepreneurship leads to economic growth is a well-known fact. Grass root level entrepreneurship has to flourish for the economy to grow.

Schumpeter proposed the theory of business cycle and economic growth. Business cycles are outcome of adoption of innovation that includes creating new ideas and its execution in producing new process and product, contributing to growth of economy, increasing employment opportunities and generation higher revenues for innovative entrepreneurial activities (Schumpeter 1982). Schmitz (1989) presents a different model in which entrepreneurial actions are a key determinant of productivity and growth. In Schmitz model, the focus is on the specific role of derivative actions of entrepreneurs and it is resulted from growth experience of various economies revealing that it is smaller the innovating as suggested by Schumpeter as compared to derivative entrepreneurs who are contributing to growth of economy. The derived entrepreneurs are imitating the prevailing business activities and methods and they are putting them in to operations. In this action, generating knowledge based foundation that he distinguishes as learning through implementation.

The players in the competitive market play the war in the market. Cartels are formed to protect the prices and the market. The entrepreneurs come together to lobby. They contribute to the politics of the country by contributing funds to the political parties and thus influence the laws. The tax paid by them to the Government is used for the development purposes. Business is a legal entity and constitutes the body of the portrait. A legal entity of a portrait of entrepreneurship represents the physical body. As mentioned earlier it is carved out by an entrepreneur. The business has to be registered with the relevant Government agencies otherwise it is illegal and unethical. The concept of ownership is closely related with the enterprises. The power is derived from the ownership. The ownership and management of the enterprise can rest with the same or different people. The day to day operations can be taken care by management team while the investments and profit of business is enjoyed by the promoter. Financial control is owned by the entrepreneur. They own certain

percentage of shares in the business. In the family controlled and owned businesses the conflicts arise for the ownership, control and management. Power is derived from the ownership. Litan et al. (2013) dealt with intellectual property, innovation, taxes etc. All the entrepreneurs need to register and pay the taxes. Ethical entrepreneurs are law abiding and operate as per the laws. The concept of ownership in entrepreneurship can be viewed from philosophy and psychology disciplines. Physical ownership can be with the promoter, but others can have a mental ownership. Nobody can stop from mental ownership. If we look at the physical ownership, the employees may or may not identify themselves with the portrait of business, so their involvement, attachment may be missing. But if one takes the mental ownership, the attitude of people will change dramatically. One starts caring and the morale will be high. The experience of mental ownership will impact the performance of the business.

THEORETICAL MODEL

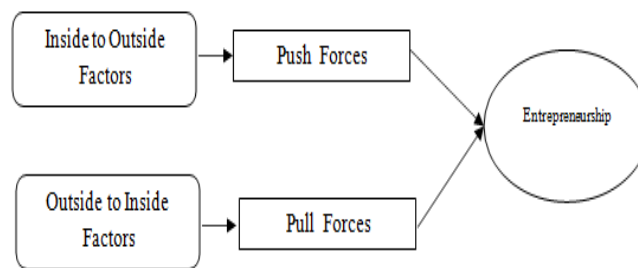


Figure 1: Entrepreneurship Process

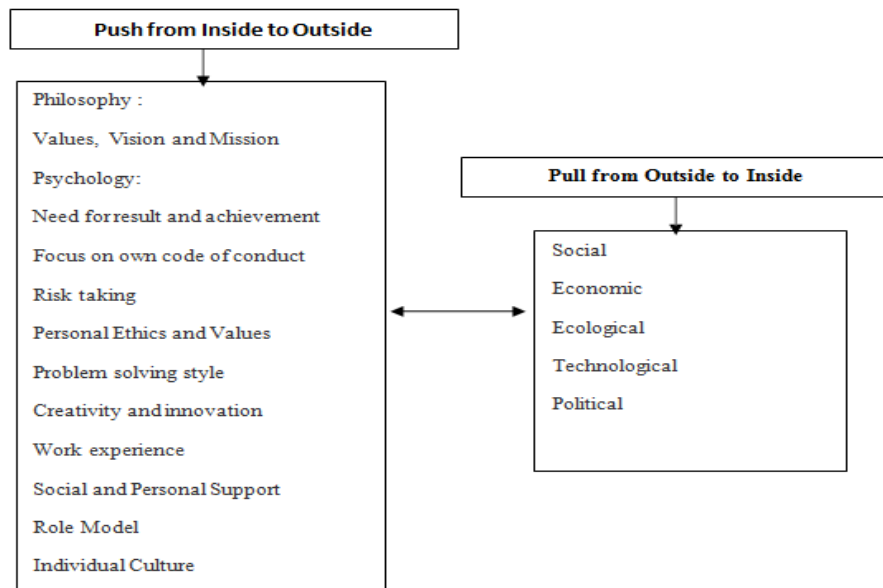


Figure 2: Factors Influencing Entrepreneurship Process Identified from the Literature Review

ENTREPRENEURIAL THEORIES

Theory: 1 -Prolific business management author, consultant for corporate houses and professor

Peter Drucker formulates hypotheses on the basis of open door principles. He stated that entrepreneurs surpass anticipation by looking and utilizing possible output generated by changes in society and innovation.

Theory: 2 – Richard Cantillon framed the theory of economic entrepreneurship and showed the chances of entrepreneurs as bold personalities. The work of neoclassical, art and school of thoughts of Austrian market process give explanations for entrepreneurship with regarding to financial state. The theories of economic entrepreneurship are having a propensity for getting a notable response for uncared for open and dynamic condition of market disregarding innovative notion of action of entrepreneurs and various circumstances through which entrepreneurship occurs.

Theory: 3 – The resource based theories explain why people are using distinguishing assets for carrying out entrepreneurial activities. The accessibility to capital resources improves the business operations of entrepreneurs and business people start wanders with low capital. Entrepreneurs may use human resources and information provided by organizations and they may also use immaterial elements and combine work as assets in entrepreneurial activities.

Theory: 4 – The sociological theory focuses on explanation for entrepreneurs on various social situations that are empowering the open doors entrepreneurs use. Paul D. Reynolds points out four situations namely informal organizations, a want for significant life, socio-political situational factors and proof for evidence. The methodologies related to anthropological model, enterprise by placing it inside creating culture and examining power of society. For instance, social disposition shapes practices and impression of entrepreneurs.

Theory: 5 – Psychological theories of entrepreneurship explains individual and enthusiastic or psychological elements which are driving aspiration for entrepreneurship among people. David McLelland states that people are having a need for achievement which makes their activities. Julian Rotter puts hypothesis of locus of control and it explains that individuals having strong inner locus of control and conviction on their actions may affect external environment and majority of businessmen are having specific features. The final approach is recommending to find features in creativity, adaptability and belief that drive behaviour of entrepreneurs.

FINDINGS

Numerous entrepreneurial scholars have propounded theories of entrepreneurship that focus particularly upon psychological factors. This research paper also consider these theories independently portrait of entrepreneurship.

To the best of our insight, the best known about fundamentally psychological theories is David McClelland's (1961) theory of need achievement'. As per McClelland, a heavenly body of identity features that are demonstrating the higher degree of necessity for attainment of entrepreneurship. Subsequently, if the achievement drives is moderate, individual will take higher degree of measures of entrepreneurship advancement in the society and he gives explanation for diversified reactions in similar situations. The ethical values of entrepreneurs is main dependable aspect that influence their behaviour in psychological terms.

Taking risk is the essential quality of entrepreneurs and they should know the extent of credit taken ad degree of risk taken in carrying out entrepreneurial activities and also bearing responsibility for outcome of activities. Every entrepreneur ought to have a mantra, a code by which they lead business and here we set out our "center qualities" of an Entrepreneur. It's so imperative to trust in what you are doing and set your way utilizing qualities which others likewise work with.

Rarely do entrepreneurs discover snappy, simple and dependable answers for business issues. Most issues are mind boggling and should be examined from various points of view before arrangements can be created. In any case, by following a methodical way to deal with critical

thinking, business visionaries and their guides can manufacture a more profound comprehension of particular business issues and discover arrangements that furnish the greatest reward with the most minimal risk.

The economy is transforming in recent times from knowledge oriented to innovative oriented entrepreneurial activities and creative thoughts (van den Broeck et al., 2008; Oke et al., 2009). Globalization and swift development of technologies have created many opportunities for business activities and at the same time, the marketplace is becoming highly packed and competition is also augmented (McMullan and Shepherd 2006). Creativity makes entrepreneurs to response to chances that can lead to competitive advantage and it leads to growth of business activities and adoption of innovative ideas and it gives positive impacts to society (Bilton 2007).

Individuals in the present society are progressively mindful of the requirement for activities that cultivate entrepreneurship while guaranteeing natural supportability. As of late, researchers have led examine into reasonable entrepreneurship, in spite of the fact that the level headed discussion is continuous (Hall et al., 2010, Muñoz and Cohen, 2018). Reasonable entrepreneurship comprises of entrepreneurial activities to enhance nature and propel social prosperity, yet in addition create benefits. In like manner, the objective is to start activities and procedures that create productive openings and add to supportable advancement [Parrish and Foxon]. Supportable entrepreneurship can along these lines catalyze auxiliary socioeconomic changes.

In most of the literature under review, there is an inferred understanding that "entrepreneurial achievement" is comprehended to be the foundation or potentially development of a business, which may fluctuate from sole proprietorships to organizations. Similarly, the expression "entrepreneurs," the unit of investigation in quite a bit of this writing, is comprehended to be differently: those engaged with the wander creation process; originators; craftsman sole proprietors; proprietor - chiefs; entrepreneurs; or others in charge of the foundation of a venture.

OBSERVATIONS, INTERPRETATIONS AND CONCLUSIONS

On the basis of brief overview of the business portrait, it has been observed that the entrepreneurship started with inside approach from psychology and philosophy perspectives. With the introduction of sociology and importance of eco system the thinking on entrepreneurship expanded and changed. The paradigm shift in the thinking from "inside – outside" to "outside – inside" happened. In a forest tall trees survive because the other plants allow the tree to become taller and no one cuts the tree. Thus the eco system supports the enterprises to survive. If it is only inside then if an entrepreneur is successful he should be successful in all the other businesses also. This may or may not happen. The same entrepreneur may fail in other businesses. Thus the eco system is responsible for the success.

The ecosystem for entrepreneurship consists of individual persons, organization –external to individual persons which are favourable or unfavourable for them to be entrepreneurs. Isenberg (2010) describes the environment in which entrepreneurship tends to thrive. Entrepreneurs are highly successful if they have accessibility to all kind of resources that are required and also encouragement of policies of concern governments and protection given to them.

To conclude, the strength of entrepreneurship is inside and manifests outside in the form of business portrait. The eco system which is outside formed by sociology, law, economics and politics makes sustainable enterprises.

IMPLICATIONS

To provide for the increase number of entrepreneurial skills in our society, for enhancing socio, cultural, technological, ecological, economic and political well beings, there is an urgent need to understand factors that are influencing psychology and behaviour of entrepreneurs that will

enhance their success and generation of job opportunities for other persons in the economy. Thus, small entrepreneurs can create and provide employment for large quantum of individuals and improves growth of economy by independent operations and using innovative methods and creative ideas in their business activities.

REFERENCES

- Baum, J. R., & Locke, E. A. (2004). The relationship of entrepreneurial traits, skill, and motivation to subsequent venture growth. *Journal of Applied Psychology*, 89(4), 587-598.
- Baum, J. R., Frese, M., Baron, R. A., & Katz, J. A. (2007). Entrepreneurship as an Area of Psychology Study: An Introduction. In J. R. Baum, M. Frese, & R. A. Baron (Eds.), *The Psychology of Entrepreneurship* (pp. 1- 18). Mahwah, NJ: Lawrence Erlbaum Associates.
- Bilton, C. (2007). *Management and Creativity: From Creative Industries to Creative Management*, Blackwell Publishing, Oxford.
- Cacciotti, G., & Hayton, J. C. (2014). Fear of failure and entrepreneurship: A review and direction for future research. Enterprise Research Centre, Research Paper no. 24, August, Warwick Business School, U.K.
- Collins, C. J., Hanges, P. J., & Locke, E. A. (2004). The relationship of achievement motivation to entrepreneurial behavior: A meta-analysis. *Human Performance*, 17(1), 95-117.
- Cuevas, J. G. (1994). Towards a taxonomy of entrepreneurial theories. *International small business Journal*, 12(4), 77-88.
- Frese, M., & Gienek, M. M. (2014). The psychology of entrepreneurship. *Annual Review of Organizational Psychology and Organizational Behaviour*, 1, 413-438.
- Hall, J.K.; Daneke, G.A.; Lenox, M.J. Sustainable development and entrepreneurship: Past contributions and future directions. *J. Bus. Ventur.* 2010, 25, 439-448.
- Isenberg, D. J. (2010). The big idea: How to start an entrepreneurial revolution. *Harvard Business Review*, 88(6), 40-50.
- Litan, R. E., Tillery, K., Luppino, A. J., & Hulen, R. M. (2013). *Law and Entrepreneurship*. Kansas: Edward Edgar Publishing.
- McClelland, D. C. (1961). *The Achieving Society*. Princeton, NJ: D. Van Norstrand Company Inc.
- McMullan, J.S. and Shepherd, D.A. (2006). "Entrepreneurial action and the role of uncertainty in the theory of the entrepreneur", *Academy of Management Review*, Vol.31, No.1, pp.132-152.
- Mueller, S. L., & Thomas, A. S. (2001). Culture and entrepreneurial potential: A nine country study of locus of control and innovativeness. *Journal of Business Venturing*, 16(1), 51-75.
- Muñoz, P.; Cohen, B. Sustainable entrepreneurship research: Taking stock and looking ahead. *Bus. Strategy Environ.* 2018, in press.
- Oke, A., Munshi, N. and Walumbwa, F.O. (2009). "The influence of leadership on innovation processes and activities", *Organizational Dynamics*, Vol.38, No.1, pp.64-72.
- Parrish, B.D.; Foxon, T.J. Sustainability Entrepreneurship and Equitable Transitions to a Low-Carbon Economy. *Greener Manag. Int.* 2006, 55, 47-62.
- Sarasvathy, S. D. (2001). *What makes Entrepreneurs Entrepreneurial?*. Virginia: Darden Business Publishing.
- Schmitz Jr, J. A. (1989). Imitation, entrepreneurship, and long-run growth. *Journal of Political Economy*, 97(3), 721-739.
- Schumpeter, J. A. (1982). *The theory of economic development: An inquiry into profits, capital, credit, interest, and the business cycle (1912/1934)*, Cambridge, MA., Harvard University Press
- Shani, H. R., & Fattahi, M. (2017). Assessing the Relationship between Psychological Factors of Empowerment with Organizational Entrepreneurship at the Social Security General Administration of Mazandaran Province in Iran. *International Journal of Academic Research in Business and Social Sciences*, 7(11), 153-166.
- Simpeh, K. N., (2011), *Entrepreneurship Theories and Empirical Research: A Summary Review of*

- the Literature, *European Journal of Business and Management*, 3 (6),
- Stewart Jr, W. H., Watson, W. E., Carland, J. C., &Carland, J. W. (1999). A proclivity for entrepreneurship: A comparison of entrepreneurs, small business owners, and corporate managers. *Journal of Business venturing*, 14(2), 189-214.
- Thornton, P. H. (1999). The sociology of entrepreneurship. *Annual Review of Sociology*, 25(1), 19-46.
- Tur-Porcar, A., Roig-Tierno, N., &LlorcaMestre, A. (2018). Factors Affecting Entrepreneurship and Business Sustainability. *Sustainability*, 10(2), 452.
- Van de Ven, H. (1993). The development of an infrastructure for entrepreneurship. *Journal of Business Venturing*, 8(3), 211-230.
- Van Den Broeck, H, Cools, E. and Maenhout, T. (2008). "A case study of arteconomy:- building bridges between art and enterprise: Belgian businesses stimulate creativity and innovation through art", *Journal of Management and Organization*, Vol.14, pp.573-587.