

Entrepreneurship

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INTRODUCTION

From the past to today, it has been discussed by scholars of various study of fields (for example in strategic management (Barney, 2002; Booth, 1998; Eryilmaz, 2016), in organization theory (Davis & Marquis, 2005) and in business history (Kurt, 2016)) that whether the field is transformed into an academic discipline or not. In a similar vein, some early (e.g. Vesper, 1988) and recent (e.g. George & Wadhwani, 2006; Urban, 2010) studies in the field asserted that entrepreneurship gained status of an academic discipline.¹ During this study, historical background of entrepreneurship discipline will be examined. Then, some discussions and empirical studies on antecedents and consequences of entrepreneurship will be shared with readers. The study will continue with a section that focuses on the link between entrepreneurship and information and communication technologies. Then, the study will give some information on recent developments and possible future trends in the field. Finally, the study will be ended with a conclusion part.

BACKGROUND

A Brief History of Entrepreneurship and Some Definitions

According to some studies (e.g. Stevenson & Jarillo, 1990), the word of entrepreneurship was invented by an Irish-French economists, *Richard Cantillon* (1680-1734). Cantillon derived the concept of “entrepreneur” from French “entreprendre” which may be translated into English as “to undertake” (Matlay, 2005). Besides, Cantillon who

was named by Jevon as “The Cradle of Political Economy” (Hayek, 2005) stated that entrepreneurial activity includes buying from a certain price and the risk that is relating to selling from an uncertain price. In addition, the French economist *Jean Baptiste Say* (1767-1832) extended definition of Cantillon by adding the statement of “bringing factors of production together” (Stevenson & Jarillo, 1990). Another important contributor to the field, English political economist and philosopher, *John Stuart Mill* (1806-1873) asserted that main element that differentiates an entrepreneur from a manager is bearing of risk (Carland *et al.*, 1984). As consistent with this stream, Gartner (1989: 62) conceptualizes entrepreneurship as “the creation of new organizations”. In addition, *Francis Amasa Walker* (1840-1897), an American economist and educator, was another contributor to the field of entrepreneurship. According to him, an entrepreneur was a person who is born with above average talent with respect to organization and coordination of factors of production. According to him, investor who supplies needed funds and receives an interest from uses of them, and entrepreneur who obtains profit from his/her managerial capabilities, are different concepts (Balachandran & Sakthivelan, 2013).

An Austrian-born American economist, *Joseph Alois Schumpeter* (1883-1950), also brought a breath of fresh air into the field. Schumpeter conceptualizes entrepreneurs and entrepreneurship as change agents in an economy (Jones & Wadhwani, 2006) and as a situation respectively that economy totally improves. According to him, there is innovation in the heart of concept of entrepreneurship. In addition, Schumpeter defines enterprise as making new combinations. As a natural consequence of this definition, entrepreneur is

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the person who creates these new combinations. At this point, he seemed to feel a need to explain the concept of “new combination”. In term of his idea, there can be various new combinations such as 1) putting a new good or service on market, 2) using a new method of production, 3) entering into a new market that doesn’t have information about the good, 4) finding a new source of input (e.g. raw material/half manufactured goods) and finally, 5) changing structure of market by creating or breaking a monopoly in market (or industrial reorganization). For example, in the previous year, a company announced that it will launch to produce electricity from bamboo in Japan (Milliyet, 2015). This development may be accepted as an example of entrepreneurship in a Schumpeterian manner. Schumpeterian stance differentiates business man and entrepreneur from each other (Carland *et al.*, 1984; Stevenson & Jarillo, 1990).

In 1985, an American entrepreneur, *Gifford Pinchot III* (1942 -) coined the concept of “intrapreneurship”. “Intrapreneurship can be defined as the development, within a large corporation, of internal markets and relatively small autonomous or semiautonomous business units that produce products, services, or technologies by employing the firm’s resources in a unique way” (Dollinger, 2008: 384 cited from Hisrich *et al.*, 1985).

As it can be seen above, there are two main-streams in conceptualizations of entrepreneur and entrepreneurship. The first stream strongly links entrepreneurship with behavior of risk taking. In addition, the second stream that Schumpeter takes the lead principally underlines innovative behavior of entrepreneur. There are also some eclectic approaches in the literature that endeavor to combine these two approaches as well. For example, Johnson (2001: 137) defines entrepreneur as “an individual who takes agency and initiative; who assumes responsibility and ownership for making things happen; is both open to and able to create novelty; who manages the risks attached to the process; and who has the persistence to see things through to some identified end-point, even when faced with obstacles and difficulties”. In

a similar manner, for Shane and Venkataraman (2000), entrepreneurship may associate with both new and extant organizations. According to the author of the study, since behaviors of risk taking and innovation are associated with each other and complimentary, a combination of these two streams to conceptualize entrepreneurship seems to be more appropriate. Almost every innovation trial bears a risk. For example, pen phone of Siemens seems to attract less attention than expected.

Antecedents and Consequences of Entrepreneurial Behavior

It seems that there are many triggers of entrepreneurial intent and causes of entrepreneurial success and failure at macro and micro levels. Although it is sometimes criticized by some scholars; some macro level factors such as culture, religion, trust, financial and educational systems, political and legal institutions may have some impacts on entrepreneurship processes (De Clercq *et al.*, 2013; Gohman, 2012; Jones & Wadhwani, 2006; Valdez & Richardson, 2013). For example, De Clercq *et al.* (2013) hypothesized that the relationship between two variables such as individual resources (e.g. human, social and financial capital) and new business activity is moderated by formal institutions (educational and financial systems) and informal institutions (culture and trust). Their findings showed that the hypotheses are partially supported. In a similar vein, according to Hefner, success in business of overseas Chinese may be explained by traditionally strong ties among members of Chinese families and necessity of being successful as a minority group. In a similar manner, Walker showed us in her study that how slavery and institutionalized racism in US before civil war limited entrepreneurial opportunities of African Americans. The same study also indicated that African Americans performed some entrepreneurial activities to delegitimize these institutions (Jones & Wadhwani, 2006 cited from Hefner, 1998 & Walker, 1986). In a similar vein, Turkey is 51st and 56th in “2015-2016 The Global Competitive-

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