

Entrepreneurial Success Measures and Factors for Sustainable Entrepreneurship

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ABSTRACT

Entrepreneurship has become an important component for the development of productivity and economic growth. The contribution of the entrepreneurship and Small and Medium Enterprises (SMEs) to the economy has attracted the attention of researchers and policy makers in both developed and transition economies. With this in consideration, based on the literature review, the authors have tried to explore and summarize criteria of entrepreneurship success measure. Understanding of these success measures will help organizations to adopt appropriate implementation strategies leading to success of entrepreneurship and SMEs. This article also presents a review of some popular models of entrepreneurship and SME success. An attempt is made here to highlight the factors consider in various models. Based on the factors identified authors have developed conceptual study model which will ultimately help to understand unique characteristics of the model.

KEYWORDS

Entrepreneurship Success, Small and Medium Enterprises, Success Models, Sustainable Development

INTRODUCTION

The contribution of entrepreneurship through vibrant small and medium enterprises (SMEs) in the national economic and social development of a country has been widely acknowledged (Goel & Jones, 2016; Peters et al., 1999; Valliere & Peterson, 2009). In view of its increasing importance, success of small and medium enterprises (SMEs) has been of interest to many researchers, international organizations, and policy makers and therefore has become the subject of a great deal of analysis. Research has shown that success is closely connected to factors such as political environment, government, infrastructure, technology etc. Cooper (1985) reported three factors responsible for entrepreneurial development and success at the grass root level. These are background factors such as family influence, skills and knowledge, the incubator organization i.e. the organization where the entrepreneurs were employed prior to starting their own business and environmental factors, e.g., infrastructure, political environment, access to capital, role of government, etc.

The benefits that entrepreneurial activities through small and medium enterprises (SMEs) provide for economic development have long been acknowledged and are well recognized (Procházková & Straka, 2017). Consequently, the performance of the SMEs sector is closely associated with the

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economic growth of the nation. SMEs are considered the engines of economic growth in developing countries (Islam et al., 2011). Most governments in numerous emerging economies across the world have realized the important contribution made by SMEs towards achievement of sustainable growth, employment generation, innovation and poverty reduction and overall development (Jasra et al., 2012; Nyathi et al., 2018). Numerous programs have been designated to support the entrepreneurship and SMEs by government of different countries to provide assistance and financial supports (Keh et al., 2007). However, irrespective of countries, SMEs face high failure rate in their first five years (Valliere & Peterson, 2009). There is rising evidence in literature that the main problem for SMEs in developing countries is not their small size but their remoteness, which hinders access to markets, as well as to information, finance and institutional support (Mead & Liedholm, 1998; Swierczek & Ha, 2003). The number of factors prevents them from realizing their full potential as entrepreneurs, where they could make significant contribution to society. These factors relate to the characteristics of entrepreneurs, psychological traits, finance, capitalization, marketing, technology, social network, gender, government policy issues, and management and performance of the firms. While several of these challenges are inherent to many countries, a few of them are more severe in some regions (Stokes & Blackburn, 2002).

Specially, researchers have shown interest on the factors associated with enterprise success for sustainable entrepreneurship. Sustainable entrepreneurship is a concept that links sustainable development with entrepreneurial activities (Schaltegger & Wagner, 2008). Research on sustainable entrepreneurship through SMEs has attracted wide interest following global developments that emphasize sustainability in addressing environmental and social issues (Googins & Escudero, 2014). Indeed, researchers have suggested the integration of sustainability management and business practices among entrepreneurs to contribute to sustainable development (Tilley & Young, 2009; Parrish, 2010). Sustainable entrepreneurship is in harmony with entrepreneurs striving for profit as well as improving local, global, environmental and social conditions (Rohani, 2013).

From the financial viewpoint, Strezov et al. (2017) viewed sustainable development as economic development that addresses the issues of the present without compromising the capacity of future generations to address their own issues. Basically, sustainable development is impartial, balanced and for development to continue indefinitely, it should consider balancing the interests of groups of people across generations simultaneously in three major distinct areas: social, environmental and economic. Business sustainability therefore measures the capability of organizations to withstand and survive shocks that is normal for insinuate association of the business to solid financial, social and ecological frameworks (Schaltegger et al., 2012). Thus, to attain business sustainability, entrepreneurs need to look into the factors affecting the success entrepreneurship & SMEs.

Built on theories and research on entrepreneurship, this study has attempted to capture the essence of identification of factors affecting the success of entrepreneurship & SMEs. This study is to understand criteria of entrepreneurship success measure of operating small and medium enterprises (SMEs). In addition, it highlights the factors considered in various models of entrepreneurship and SME success in different regions. The purpose of this study is, therefore, to review some of the models affecting business success of small and medium-scale entrepreneurs and based on the factors identified in various models, a new conceptual study model is proposed. One of the major impacts of this study is that it will constitute an aid to policy makers, researchers, academia, and the business community as well for improving the performance of entrepreneurs of small and medium sized enterprises.

The remainder of the paper is organized as follows: First, the entrepreneurial and SMEs success measure and success define by various researchers in literature are provided. Then, the models related to entrepreneurship and SME success are detailed and explained. Next, various factors considered in different research models and frameworks are summarized. Based on the factors identified a developed conceptual study model will be discussed. Finally, this article ends with a brief conclusion.

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