

Chapter 6

The Importance of Entrepreneurship in Global Business

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ABSTRACT

This chapter reveals the overview of entrepreneurship; entrepreneurship and innovation; the emerging trends of corporate entrepreneurship; sustainable entrepreneurship approach; entrepreneurship and entrepreneurial activity; the perspectives on entrepreneur; and the importance of entrepreneurship in global business. Entrepreneurship is a process of actions of an entrepreneur who is a person in search of something new and exploits such ideas into gainful opportunities by accepting the risk and uncertainty with the enterprise. Entrepreneurship results into the creation of organizations when entrepreneurs assemble the physical, human, and financial resources and direct them toward the achievement of objectives through managerial skills. The importance of entrepreneurship lies in the fact that it helps in identifying and developing the managerial capabilities of entrepreneurs. The chapter argues that fostering entrepreneurship has the potential to enhance organizational performance and reach strategic goals in global business.

INTRODUCTION

Entrepreneurship is one of the most important inputs in the economic development of a country (Prakash, Jain, & Chauhan, 2015) and has become a popular field of research in both social science and economic policy (Keskin, Gumussoy, & Aktekin, 2015). Entrepreneurship is a way of thinking that emphasizes business opportunities (Tiago, Faria, Couto, & Tiago, 2015) and has a positive effect on economic growth due to the generation of economic activities (Castaño, Méndez, & Galindo, 2015). Modern business must be entrepreneurial in order to create wealth and entrepreneurship encourages competition in modern business toward globalization (Dogan, 2015; Wu & Huarng, 2015) and contributes to economic growth through new business opportunities, modern technologies, and innovation (Yolac, 2015).

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Entrepreneurship involves three major elements (opportunities, enterprising individuals, and resourcefulness) (Iyigun, 2015) toward the strategic goals of creating modern organizations, obtaining organizational resources, and establishing organizational structures (Ornek & Danyal, 2015). Entrepreneurship contributes to the quality and hopes of a sector, economy, or even a country (Ribeiro & Huarng, 2013). The effectiveness of innovative entrepreneurship activities depends on the formation of entrepreneurship policies and optimum usage of the policy tools (Hobikoglu & Sanli, 2015). Entrepreneurship policy has a significant influence in creating the effective business environment to develop entrepreneurship (Mirzanti, Simatupang, & Larso, 2015) and to facilitate new business initiatives in the competitive business environments (Mas-Tur & Moya, 2015).

This chapter aims to bridge the gap in the extant literature on the thorough literature consolidation of entrepreneurship. The extensive literature of entrepreneurship provides a contribution to practitioners and researchers by describing the trends and issues with entrepreneurship in order to maximize the business impact of entrepreneurship in global business.

BACKGROUND

The concept of entrepreneurship encompasses the creation of ideas, companies, and patents as well as the thought process behind these creations (Baumol & Strom, 2007). Entrepreneurship has been the engine propelling much of the growth of the business sector as well as a driving force behind the rapid expansion of the social sector (Austin, Stevenson, & Wei-Skillern, 2006). Research in entrepreneurship is an important subject (Blackburn & Kovalainen, 2009), encompassing the multiple theoretical and methodological traditions (Gartner, Davidsson, & Zahra, 2006) and focusing on business growth (Galloway, Kapasi, & Sang, 2015).

Entrepreneurship is attracting substantial attention from policy makers, educators and among the young people themselves as a driver of economic growth and innovations. With fewer jobs being available in the labor market and potential employees not possessing the skills sought after by employers, one solution is for young people to become entrepreneurs and create the opportunities for themselves (UNESCO, 2012). Entrepreneurship can be taught, and entrepreneurial education in universities is critical for entrepreneurship education (UNESCO, 2015). A long-term vision for entrepreneurial education is necessary, complemented by the careful consideration of how to make entrepreneurship education relevant to young people (UNESCO, 2013).

Regarding entrepreneurship, both creativity and innovation play the important roles on the entrepreneurial success (Kabukcu, 2015). Successful entrepreneurship is a constant process that relies on creativity, innovation, and application in the global marketplace (Scarborough & Zimmerer, 2005). The common aspects of entrepreneurs and innovators' creativeness occur in various perspectives (e.g., design, science, technology, and organizational development) regarding many different types of organizations (Lowe & Mariott, 2006). Organizations cannot sustain their market position and cannot increase their market share without developing the new business capabilities (Grant, 1996). In addition, more competitive and equal access to the productive resources through business reform is needed to promote more productive entrepreneurship (Chu & Song, 2015).

Entrepreneurship can be promoted by establishing entrepreneurial skills at the right stage of education (Prakash et al., 2015). Entrepreneurship is present in the large and stable organizations (Verheul, Uhlaner, & Thurik, 2005) and small and medium-sized enterprises (SMEs) (Bettioli, Maria, & Finotto, 2012).

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