

Chapter 66

Societal Influence on the Cognitive Aspects of Entrepreneurship

Neeta Baporikar

HP-GSB, Namibia University of Science and Technology, Namibia

ABSTRACT

Social history in last century has witnessed a transformation not experienced in any period before. How people are affected - what sort of characteristics individuals have – how they try to handle situation is multi-perspective. Understanding inter-societal and interpersonal relationship systems that are based on fluctuation and competition issues have been studied thoroughly. But, the role of entrepreneurship in dealing with competition has drawn researchers' extensive interest of late. Entrepreneurship is associated with the fields of administration, business, management and economics. However, in reality it is multi and interdisciplinary, with psychology having a bearing on the growth of entrepreneurship concept as is used with the broader meaning today. Through grounded research and content analysis, the core of this paper is to sketch out and understand how societal influence affects the cognitive aspects of entrepreneurship.

INTRODUCTION

Although entrepreneurship is mostly associated with the fields of administration, management and economy, in fact it is an interdisciplinary subject. Entrepreneurship and enterprise as being a broad subject and conceptual field was studied within the field of psychology, at least at the beginning, more than the fields of economy, administration and management. The studies of psychology over entrepreneurship have played an important role for a detailed consideration of the concept and in giving the concept the broader meaning that is used now. One of the first studies of psychology over entrepreneurship was conducted in the second half of twentieth century by McClelland (1961); Atkinson & Feather (1966). According to them, the motivation of individual and society is one of the most important factors that explain entrepreneurship and individual's becoming an entrepreneur depends on the highest possibil-

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ity of achievement (Korpysa n.d.). In other words, when the possibility of achievement gets higher, entrepreneurial propensity rate increases. Studies in the field of psychology have focused on the details of the factors that play a role in entrepreneurship's achievement (Baron, 2000). These studies stated that entrepreneurial ability of individual is connected with societies' perception of success and to what extent individuals are affected by this perception. However, even if it was stated that culture influences entrepreneurship, it was observed that individual differences have important effects on entrepreneurship despite cultural commonality (Baporikar, 2015). Psychology's extensive interest for the subject matter of entrepreneurship at the beginning is closely associated with periodic interest to understand psychological dynamics of human behaviors. Determining methods and details of training programs to educate entrepreneur individuals has become very important for social development so multidimensional analysis of entrepreneurship has also become more important. Thus, entrepreneurship has not remained a research field of general psychology anymore. It has become the subject matter of subfields of psychology as organizational psychology started to study entrepreneurship (Frese, 2009). As a result, entrepreneurship research which has been carried out in different contexts, psychology tend to define 'entrepreneurship' as an individual behavior or attitude with a tendency to challenge thereby leading to creation of new facts, circumstances which not only improve existing conditions, but also has a societal influence. This mutual effect of psychological or cognitive aspect of entrepreneurship on society and societal influence in return on the psychology of entrepreneurship termed as 'entrepreneurship psychology' is emerging as a new field among subfields of psychology. Hence, through grounded research and content analysis, the core of this paper is to sketch out and help in comprehending the societal influence on cognitive aspects of entrepreneurship.

LITERATURE REVIEW

Entrepreneurship psychology indicates many intersection points between industrial/organizational psychology and entrepreneurship. First of all, organizations which are the central phenomenon of organizational psychology exist by means of entrepreneurship and entrepreneurs. This process leads industrial/organizational psychology researchers to study entrepreneurship process. Many of the founders of business enterprises are not good managers because it is usual that people who have essential capital and a certain vision about the future of the organization cannot make good managers at the same time. In other words, being the founder of an organization/enterprise does not require having the skills of a good manager. Therefore, it is important to search essential qualities to predict success of the organization and to increase its competitive power in its own field and it is also important to find individuals with these qualities and provide their connections with these organizations as executives. Almost all of the measurements, which are used to determine entrepreneurial characteristics like coping with stress, motivation, ability and knowledge, are carried out by using psychological assessment tools or the instruments which are developed by their methods. This situation has played a role in the intersection of psychology and entrepreneurship research.

Today, entrepreneurship research continues by making associations with psychological variables like cognitions, emotions, perceptions, behaviors and motivation and the effects of psychological variables over entrepreneurship cannot be ignored. Even if different countries seem to have different development policies, especially since 1980s, entrepreneurship has become more important due to competitive development program that countries have to apply because of neo liberal development policies (Baporikar,

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