

ENTREPRENEURSHIP

Chapter 2: AN ENTREPRENEUR



AN ENTREPRENEUR

FACTS THAT MATTER -

- ❖ Steven Paul “Steve” Jobs (February 24, 1955 – October 5, 2011) was an American entrepreneur, marketer, and inventor, who was the co-founder, chairman, and CEO of Apple Inc. He is widely recognized as a charismatic pioneer of the personal computer revolution and transforming “one industry after another, from computers and smartphones to music and movies”. Jobs also co-founded and served as chief executive of Pixar Animation Studios.
- ❖ Maslow’s Theory of Motivation: When motivation theory is being considered the first theory that is being recalled is Maslow’s hierarchy of needs which he has introduced in his 1943 article named as “A Theory of Human Motivation”. According to this theory, individual strives to seek a higher need when lower needs are fulfilled. Once a lower-level need is satisfied, it no longer serves as a source of motivation. Needs are motivators only when they are unsatisfied.
- ❖ The Enron Scandal revealed in October 2001, eventually led to the bankruptcy of the Enron Corporation, an American energy company based in Houston, Texas, and the dissolution of Arthur Andersen, which was one of the five largest audit and accountancy partnerships in the world. In addition to being the largest bankruptcy reorganization in American history at that time, Enron undoubtedly is the biggest audit failure. It is ever the most famous company in the world, but it also is one of companies which fell down too fast.
- ❖ Formerly known as WorldCom, now known as MCI, this U.S.-based telecommunications company was at one time the second-largest long-distance phone company in the U.S. Today WorldCom’s bankruptcy filing in 2002 was the largest such filing in U.S. history. The WorldCom scandal is regarded as one of the worst corporate crimes in history, and several former executives involved in the fraud faced criminal charges for their involvement.
- ❖ Gifford Pinchot, has coined Intrapreneurship/Corporate Entrepreneurship in the 1980. It refers that entrepreneurs are used by companies that are in great need of new, innovative ideas.
- ❖ The founders of Adobe, John Warnock and Charles Geschke were employees of Xerox. (Intrapreneurship).
- ❖ Types of Entrepreneurs.

According to Danh, there can be four types of entrepreneurs:

1. Innovative
2. Imitative
3. Fabian
4. Drone

On the basis of:

- Business
- Trading
- Industry
- Corporate
- Agriculture

Technology:

- Technical
- Non-technical
- Professional

Motivation:

- Spontaneous
- Induced
- Motivated

Others:

- First generation.
- Second generation.
- Third generation.

❖ Entrepreneurial competencies can be broadly classified as:

- Entrepreneurial
- Enterprise launching
- Enterprise managing

❖ Core values among entrepreneurs:

- Innovation and creativity
- Independence or self-reliance
- Respect for work
- Quest for outstanding performance or achievement

❖ Attitude is something we individually feel about some person, work, place, etc.,
Features:

- Affects behaviour

- Invisible
- Pervasive
- Acquired

❖ Motivation Theories:

Maslow's need of hierarchy theory: Maslow classified needs into a sequential priority from the lower to the higher. He classified human needs into five categories as follows.

- **Physiological needs:** These needs are basic to human life such as food, clothing and shelter and various necessities of life. Being a human being entrepreneur also has these needs for survival, prosper. Entrepreneur is motivated to work in the enterprise to receive economic rewards to meet his/her basic needs.
- **Safety and security needs:** As an entrepreneur to work in the enterprise he/she needs money in turn to earn more money to satisfy safety and security needs. He /she is promoted to work more in the enterprise for economic security and safety.
- **Social needs:** Man being a social animal his needs are belongingness needs. Belonging needs, recognition and acceptance by others likewise, an entrepreneur is motivated to interact with fellow entrepreneurs and his/her employees and others.
- **Esteem needs:** These are also known as ego or status needs. It consists of self esteem, esteem of others, achievement competence, knowledge and independence.

Entrepreneur esteem needs are satisfied by providing recognition, status, respect and independence.

- **Self actualization:** The final and important one in the need hierarchy model is the need of self actualization. This refers to self fulfillment. Entrepreneur may achieve self actualization in being a successful entrepreneur.

For entrepreneur it is mainly social esteem and self actualization needs which motivate them to work more and more for satisfying them.

McClelland's Needs Theory: McClelland has identified three basic motivating needs, Viz. Need for Power, Need for Affiliation and Need for Achievement and, along with his associates performed a considerable research work on these basic needs.

- **Need for achievement:** Generally speaking, people want to accomplish something in life. This could mean starting a large family for some and a well-paid job and an illustrious career for others. David McClelland studied what drives people to achieve something.

What motivates them and how can they make a contribution to society? Upon completing his study, he distinguished four characteristics that are consistent with the need for achievement: striving for an average task complexity, responsibility for own performance, the need for feedback and the use of innovation/creativity.

- **Need for power:** People with a need for power, attach great value to status, reputation and recognition. They have a need to be perceived as important and they have a need to direct and influence others. According to David McClelland, this type of person enjoys competition and winning.

When this need is great, they will not be open to feedback. This need may consist of personal power and of institutional power. Those who focus on personal power have the desire to have control over others. Those who are focused on institutional power, like to organize the efforts of more people to further the company's goals.

- **Need for affiliation:** People are a gregarious bunch and they want to belong to the group. When the need for affiliation is high, they want to be liked and they will conform to the group's behaviour and wishes. In this case, they will favour cooperation over competition. Therefore, the need for affiliation does not go well with the need for power.

WORDS THAT MATTER -

- ❖ **Competency:** Is a set of defined behaviours that provide a structured guide enabling the identification, evaluation and development of the behaviours in individual.
- ❖ **Intrapreneur:** Is someone who has an entrepreneurial streak but chooses to align his or her talents with a large organisation in place of creating his or her own.
- ❖ **Values:** Are "beliefs that guide actions and judgement across a variety of situations."
- ❖ **Initiative:** Refers to the ability to make decisions and take action without asking for the help or advice for others.
- ❖ **Creativity:** Is the ability to see new ways of doing things.
- ❖ **Innovation:** It is doing something new or something different.
- ❖ **Persistence:** A 'never say die' attitude, not giving up easily, striving.

- ❖ **Ethics:** It is a determination of what is right and proper and the principles which governs business activities.
- ❖ **Business Ethics:** It comprises of the study of proper business policies and practices regarding potential controversial issues, such as corporate governance, insider trading and social responsibility.
- ❖ **Social responsibility:** Understanding the aspiration of society determination to contribute to its objectives.
- ❖ **Self-reliance:** Reliance on one's own capabilities and resources rather than those of others.
- ❖ **Attitude:** It is the way a person feels about something – a person, a place, a commodity a situation or an idea.
- ❖ **Motivation:** It is the process that initiates, guides and maintains the goal-oriented behaviour.
- ❖ **Entrepreneur:** He/she is one who undertakes risks and is a problem solver.
- ❖ **Employee:** He is one who renders his services for others and gets some remuneration in the form of salary/wages.
- ❖ **Business Risk:** It means the possibility of some unfavourable occurrence in the business.
- ❖ **Risk:** It is the chance of loss.
- ❖ **Entrepreneurial Motivation:** It may be defined as the process that activates the entrepreneurs to exert high level of efforts for the achievement of his/her goals.