IDENTIFYING AND EVALUATING THE FACTORS NECESSARY FOR PROMOTING ENTREPRENEURSHIP IN A COUNTRY

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Received: 19.04.2020  Revised: 21.05.2020  Accepted: 16.06.2020

Abstract
Purpose: Governments across the globe have been trying to build and foster a healthy, competitive business environment, wherein small, local businesses, as well as technology based smaller ventures, can take on larger business houses and corporate, without facing hurdles of economic constraint. Therefore, this research discusses the role of different factors important for sustainability of entrepreneurship.

Methodology: This study conducted the systematic review of literature and identified different themes, which helped in developing a conceptual model that indicates cause and effect relationship between dependent and independent variables.

Findings: According to the results of the study government policies may not have direct influence on entrepreneurship, but have positive influence over social system, market environment and financing support.

Conclusion: This research suggests that government should develop effective entrepreneurship policies that could addressed all needs and areas for sustainable growth of entrepreneur businesses.

Keywords: Entrepreneurship and Business, Government Policy, Social System, Market Environment, Financing Support.

INTRODUCTION
Research Background
A supremely important precondition for the growth and development of any country’s economy, as well as its trade and commerce with other countries, has been the emphasis and importance given to the small scale ventures and entrepreneurial activities in the same. In the context of the USA, “Start-up America” has been a vital component in the development and growth of such small scale ventures; inspired by the EU, and laying out the structural plan of the mission within 10 brief points, the initiative has been significant in making start-ups grow and succeed (Aparicio, Urbano, &Audretsch, 2016). For such ventures to blossom and become larger there needs to be an adequate flow of information and other assorted knowledge resources, besides the usual economic favourable forces. Research has, however, shown that generic economic forces, or advances in technology, are not directly associated with the progress of a venture such as the aforementioned.

The primary reason here is that businesses which had the power to influence the economy as a whole were driven by small scale ventures and modernizing R&D firms, not large business houses with a high amount of economic capital and resources (Castañó, Méndez, & Galindo, 2015). Because of their smaller size and relatively quicker pace of operations, they had the capability to motivate a smaller workforce into deriving better technological advancements. Without the requisite tools of leadership and structural support from the government, the advancements in such ventures cannot be fully utilized (Galindo, & Méndez, 2014).

In order to better explore the relationship between the growth of such ventures, and the associated boost in the economy, one primarily needs to question the fourth pillar of economic advancement, entrepreneurial skill. Research in this area has definitely suggested a close relationship, indicating that the rate of entrepreneurial skill and leadership, more success can be attained by employing scarce resources in such ventures.

Toma, Grigore, & Marinescu (2014) informed that economic growth is possible, considering the modern service-oriented context, if the entrepreneurial abilities in a country’s business environment were fostered and developed. Now, as more and more countries are on the path of globalization, and realize that their businesses no longer face just the domestic competition, it has become a global business imperative to try and find every nook and corner where improvement can be sought out(Devece, Peris-Ortiz, & Rueda-Armengot, 2016).

This has led to a marked increase in the amount and direct proportion of contribution that such ventures, and indirectly entrepreneurial skill, have on a nation’s income levels as well as standard of living. For the purpose of this study, the author has attempted to analyse the different factors that contribute to the economic growth of a country, in the context of entrepreneurial skill and modern technological advancements such ventures can bring forth. While looking at the previous research in the field, a great quantum of fluctuation is observed according to the different countries, and thus the field demands a separate inquiry of its own.

Research Aim and objectives
While a host of factors can be attributed to the success of entrepreneurial ventures, one core factor that has consistently shown its influence in this regard is the quantum of direct governmental support. In other words, this study attempts to analyse that the support by the government affects the entrepreneurship positively. Objectives of this research are

• To Identify the factors which promote entrepreneurship
• To evaluate role of government in promoting entrepreneurship
• To evaluate role of social environment in promoting creativity and innovation?
• To evaluate role of financial support in improving the entrepreneurship?

Research Question
The research began with the question:
"What is the significance of social environment and government policies in promoting innovation developing sustainable entrepreneurship?"

RESEARCH METHODOLOGY
This research has been conducted in following steps that provide a systematic process of gathering, analysing and synthesising the data and results. First, the research collected the research background and then conducted the literature review. Literature review helped in identifying and analysing the various factors that could have the substantial and positive impact on entrepreneurship. On the basis of the literature review directional nature of different factors was identified that resulted in the development research model. According to the evidences from the literature, it has been identified that there is a cause and effect relationship between different factors (such as government policies, financial support policies, as well as social system and environment).

THEORETICAL BACKGROUND
Vroom (1964) was the first researcher to suggest the primary expectancy theory of motivation, which was then quickly utilized across sectors to explain and improve working processes and individual decisions, using various behavioural alternatives. Expectancy theory is presented as follows:

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\text{Motivation Force} = \text{Expectancy} \times \text{Instrumentality} \times \text{Valence}
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In this context, the theory by Vroom dictates that motivation force utilizes three key components in order to help choose an alternative: expectancy, instrumentality, and valence. Here, expectancy is the assumed statistical chance, or simply, a guess, regarding how successfully the performance will lead to a good outcome. This factor can be motivated by many variables, including self-efficacy, goal difficulty, and perceived control.

This factor is also closely linked with the past performance of the individual, and depends heavily on how successful the past efforts have been, evaluated in the current context. Other factors that play a role in arriving at a conclusion of expectancy also include self-confidence, and the perceived difficulty of the goal or task at hand. Defining terms, instrumentality in the given context is the expectation that once successful efforts have been put in, further favourable outcomes can be brought about, and this variable depends on trust, control, and policies.

Thus, Instrumentality is the belief that once successful, the individual might draw greater rewards from the actions, other than the merely stated goals of the task. Finally, Valence defined is the value associated with any given reward that the individual has been presented with or promised, post successful completion of the task. Expectancy theory has adequate theoretical support and is commonly used by the organization for promoting motivation.

LITERATURE REVIEW
Role of Government Policy
For any business to survive and thrive, structural support in the form of governmental help and motivation is required. In fact, research has shown that governmental support is one of the primary, major factors for the growth of smaller enterprises, and dictates the extent to which entrepreneurial ventures can grow and succeed.

Understanding and analysing policies, thus, becomes quite necessary in order to explain the environment surrounding smaller ventures. Ács, Szerb, & Autio (2017) asserted that policies drafted by a country’s government serves as the base, or foundation, surrounding which entrepreneurial ventures plan their course of action, or decide to enter into a field of business or not. These policies are also important while deciding the ventures’ own guidelines for its employees and stakeholders, as they have to operate within the bounds of the law, while also simultaneously trying to derive benefits from the structural framework of the nation (Obaji & Olugu, 2014). Such benefits, including importance and subsidies of various kinds given to these ventures, can be observed in many European countries.

Developing countries are also focusing on enhancing the entrepreneurship within the country for which government is developing different policies and strategies. For instance, in Taiwan government is undertaking the policy measure under which industrial parks and Industrial Technology Research Institute (ITRI) are established to enhance entrepreneur vitality (Hung & Whittington, 2011). Similarly, in South Africa, government had developed the Small Business Act for promoting innovation and entrepreneurship (Herrington et al, 2010).

In Nigeria, some of the main government programs developed for promoting innovation and entrepreneurship are “Small and Medium Enterprises Development Agency (SMEDAN), N-Power programme, Government Enterprise and Empowerment Programme (GEEP) and the You-win programme” (Oliyide, 2012, p. 675). All such government policies in different nations are targeted towards enhancing and promoting entrepreneurship.

Toma, Grigore, & Marinescu, (2014) has also indicated that instead of direct relief to such firms, a better manner of relief delivery is to support and strengthen the Small Business Innovation Research (SBIR) program. One such example can be seen from the Korean government, which is providing a host of benefits and support policies, primarily in an indirect manner, to support and strengthen such ventures. Primarily, the government assists firms working in the R&D sector, as well as developing useful industrial tools and technologies (Qian & Haynes, 2014). They also provide large scale training programs and workshops, in order to encourage more youth to take up the mantle of entrepreneurship. Also, as Audretsch & Aldridge (2014) argued, without initially establishing a foundation which can support such large scale, service oriented entrepreneurial efforts, attempts at promoting small ventures might not prove to be effective.

ROLE OF FINANCING SUPPORT STRATEGIES
While firms engaged in technological research, or such assorted fields, do not face issues regarding financing in the latter states of their development, the initial, primary stages of growth bring a host of financial challenges for them.

In order to remove the barrier, governments need to place a higher emphasis on the technology developed by these firms, as well as its deployment (Obaji & Olugu, 2014). Especially in developing economies, where markets are not strong enough on their own to support such ventures, governments need to step in and play their part. There can be a vast, and highly specialized, network of support systems, which can be constructed to foster the growth of such R&D firms, as well as firms employed in other distinct industries.

These support systems would act as the nourishing and progressive financial environment which is sorely needed by smaller firms, especially when they wish to take their research public (Zeebarea, & Sirion, 2017). Loans, financial grants and guarantees are other commonly used strategies for funding.

These policies suggest a keen attitude adopted by government’s world over, towards gearing their economies to derive higher returns from such ventures, and to put these resources to create more gainful employment (Tende, 2014). Some of the other financing support strategies that are being used globally are tax incentives, equity funds and co-investments.

Although these benefits generally improve the condition of the economy and boost trade, a few studies have also shown that utilizing taxpayers’ money in subsidizing or granting other relief
forms to smaller ventures, might not serve as an ideal manner of motivation, as most firms, compete in fields with minimal entry barriers and very less number of firms are able to sustain beyond 4 years (Bosma, Sanders, & Stam, 2018).

However, the main aspect of the financing support strategies is that they are also developed under the government policies that are meant for promoting entrepreneurship. A study conducted by Wehinger (2013) has provided significant information regarding the policy measures that governments in OECD countries are taking to promote entrepreneurship. Author also identified that government policy support was significant for overcoming many financial constraints.

ROLE OF SOCIAL SYSTEM AND ENVIRONMENT
According to Boudreaux, Nikolaev, & Klein (2019), social cognitive theory informs that entrepreneurial mindset can only be cultivated in individuals, if the environment surrounding them fosters, or rewards, such behaviour. For the younger populace to take up the smaller firms and their development as viable career alternatives there needs to be a desirable social outcome, besides the financial and economic outlook, which can incentivize individuals to take up this career path (Tran & Von Korffesch, 2016). Besides the social component, education is also one of the other prerequisites for the growth of entrepreneurial skills and desires, as an educational program spanning the options of smaller ventures, as well as encouraging the students to think beyond the box of a corporate job, plays a vital role in developing future risk-takers and businessmen (Kuratko, 2016).

According to Welsh, Tullar, & Nemati, (2016), during the period of higher education itself, if emphasis is laid on developing ventures, or at least considering the same as a viable alternative to the conventional approach, it can act as an important determinant of selection into entrepreneurship—the formation of new venture and entrepreneurial success. On the flip side, though, this thought necessarily presumes that there is a linear relationship between the individuals receiving said education, and the number of individuals who choose to embark on an entrepreneurial journey (Hechavarria et al, 2019).

ROLE OF ENTREPRENEURSHIP
As has already been indicated, studies have determined a conclusive link establishing smaller ventures and the assorted leadership and entrepreneurial skills as being vital to lead economic growth (Edoho, 2015). According to studies, novel manners of working or functioning are brought about by entrepreneurs. This can be seen in the readiness by which an entrepreneur responds to changes in the business environment, and brings about technological or other advances to capitalize on the opportunity (Castaño, Méndez, & Galindo, 2015). As shown by Decker et al (2014) entrepreneurship also creates employment, indirectly by encouraging them to start their own ventures, or taking up their own career paths in their hands. A formal study conducted on the factors contributing to economic growth can thus prove to be important. Early studies in this regard have been inconclusive. Personal characteristics of an entrepreneur need to be examined clearly (Castaño, Méndez, & Galindo, 2015). It is also important to analyse the social, political, cultural and his economic environment as it helps further in promoting the entrepreneurship. Glaeser, Kerr, & Kerr, (2015) have also indicated different variables which can prove helpful for the betterment of entrepreneurship. These are policies by the government, financial support, managerial skills etc. As per the differing definitions of entrepreneurship in literature, different interpretations need to be drawn in varied contexts, as it changes the policy considerations as well as the structural framework for the establishment (Castaño, Méndez, & Galindo, 2015). Fig. 1

DATA ANALYSIS AND FINDINGS
This study conducted a rigorous analysis of the evidences gathered by conducting a systematic review. The main focus of this research was to analyse the significance of the social environment and government policies in promoting innovation and developing sustainable entrepreneurship. Results of the study have shown that government policies, which are significant for the growth and development of entrepreneurship, have noteworthy influence on improving the social system and social environment.

Such an approach of the government policies can be considered to be necessary for the growth of entrepreneurship. Therefore, government policies have the positive influence over the social and market environment and also display a positive influence on the financing support. Government policies that improve the social and market conditions provide a thriving environment for the new entrepreneurs and also enhance their opportunities for gaining financing support from market.

Findings of this study have shown that social system and market environment also have a direct positive impact on the entrepreneurship. This can be interpreted as the social and market environment are the platforms that provide opportunities to the entrepreneurs to promote their innovative business approaches. Evidences from the literature have also informed that new business opportunities can be achieved through effective market and social environment. Social environment is associated with the social conditions and situations the encourage entrepreneurs; therefore, it has positive relations with growth and development of entrepreneurship. Social environment and system can also be associated with the opportunities of innovative and creative education that instill the progressive spirit in the young entrepreneurs.

Government use its policies and programs through which creative education is encouraged in schools and colleges that motivate the innovative skills and in the generation. Therefore, there is a cause and effect relationship between government policies, social system and entrepreneurship. Government policies are an important factor for the growth of sustainable business environment.

Government policies also support the new companies to get a fair entry to the national and international business market. Also, in the time of financial crisis, government should also play a role in supporting companies and entrepreneur, so that they could sustain in volatile market. Rather, there is also a need of a social system for effective delivery of government policies and for commercialising big ideas with the support of governmental policies.

Financing support is identified to have the positive influence on entrepreneurship. This could be interpreted that financing
support is most important for the new start-ups to get a place in the market and for becoming the part of start-up business. Having an effective financing support will also encourage the companies to invest more in their innovative ideas and contributing towards the economic growth. Although, it has been proved through analysis in this study that direct support of the government activities and strategies do not promote entrepreneurship, but government can play an important role in creating business friendly environment.

CONCLUSION
This study concludes that social and market environment as well as government policies are necessary for promoting innovation and for developing sustainable entrepreneurship environment in the country. Government policies also have a significant influence in providing positive social environment and encouraging financing support, without directly influencing entrepreneurship.

Policies and strategies work as the indirect support that government provides for entrepreneurs. This study also concludes that without government support, entrepreneur environment could not sustain for long term and businesses would not be able to contribute to encourage economic growth through entrepreneurial development.

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