

Βήμα Φοιτητών & Ερευνητών

The critical contribution of entrepreneurship to financial prosperity and the role of the entrepreneur

Photo by John Schnobrich on Unsplash



Athanasia (Nansy) Karali

[LinkedIn](#)

Adjunct Lecturer at Department of Economics, University of Piraeus



Nicholas Belesis

[LinkedIn](#)

Adjunct Lecturer at Department of Business Administration, University of Piraeus



Maria Oikonomou

[LinkedIn](#)

PhD Candidate at Department of Business Administration, University of Piraeus

Λέξεις κλειδιά: culture of entrepreneurship, entrepreneur, value creation, prosperity, economic growth

The rapid globalization of markets, the increasing technological complexity, and the variability of the environment are the key features of our time and call on businesses to adapt to the ever-changing environment to ensure their survival. The flourishing of corporate entrepreneurship is the pillar of survival and economic growth in the face of the rapid globalization of markets and the stormy technological and environmental developments. Entrepreneurship is considered to contribute to prosperity, to economic growth and development, in the creation of new enterprises, in the development of innovation in existing enterprises, in the formation or development of national identity, in competitiveness and growth and the creation of new businesses and jobs.

Entrepreneurship is considered as completely connected with the role of the entrepreneur. The cul-

ture of entrepreneurship is not only about the development of businesses but also the development of individuals, and that is why today it is the most important factor that is considered necessary to be cultivated by states, societies, and companies.

Entrepreneurship Definitions

Entrepreneur is the person who engages in business crisis in conditions of uncertainty and tries to take advantage of the price difference between buying and selling goods with uncertainty (Richard Cantillon, French economist).

Entrepreneurship is a factor of imbalance because it renews and overturns the conditions of production, organization, and operational activity in order to find innovations, new production technologies and ways of selling existing or new products in existing or new markets. (Joseph Shumpeter, Austrian economist) who combined the ideas of Marx, Weber, and Walras and others). This approach has shaped, to a large extent, the modern conception

of entrepreneurship, which includes the idea that wealth is created when innovative actions lead to new demand from the market. In this sense, the role of entrepreneurship is to strategically and regularly combine material financial and human resources in an innovative way so they can create value for end customers and financial benefit for the business.

The prevailing views of entrepreneurship include the creation of new products and/or the development of innovative processes, entry into new markets, economic expansion, and creating new business activities. However, beyond its individual manifestations, entrepreneurship is perceived as a single phenomenon that develops and evolves at the point of contact of individuals with the wider systems, where personal initiatives and actions affect the activities performed and the results. Shane & Venkataraman state that entrepreneurship is a response to the opportunities presented and is related to opportunity search techniques, the methodology used to identify, evaluate and exploit opportunities to create new products and services, as well as and with the people who undertake to manage them. In addition to the above, the existing literature places particular emphasis on the dimension of the results that can result from the exploitation of business opportunities. Other conceptual approaches to entrepreneurship include considering it as an effort of individuals or groups, which can upset the balance in business. Lamprianidis states that entrepreneurship, in addition to the development of existing companies, also concerns the undertaking of new ventures through the regulation and coordination of production factors and the network of contacts with other business and economic actors. In any case, entrepreneurship depends on the ability and willingness of those involved to understand and create new financial opportunities (e.g. products, production methods, and organizational plans) and to imple-

ment their ideas to deal with uncertainty and existing obstacles.

Entrepreneurship is a process of value creation, which through the accumulation of resources, aims to seize an opportunity. He argues that entrepreneurship is the method by which individuals and groups create value by accumulating different inputs of resources to take advantage of opportunities that exist in their environment. Entrepreneurship can appear in any organizational context and lead to various results, such as new business endeavors, goods, technologies, markets, and processes. According to Baron & Shane, entrepreneurship is a field that seeks to understand how opportunities are created to develop new products or services, which are discovered by specific individuals with the ultimate goal of exploiting them. Particular emphasis was placed on environmental opportunities by Butler, who defined entrepreneurship as a process of generating added value through the combined application of resources, to exploit an opportunity. In this process, the dominant element is the production of increasing wealth, which is guided by individuals (entrepreneurs) willing to take some form of risk. Timmons defines entrepreneurship as the process of building and creating a vision from scratch, by developing a strategy based on the entrepreneur's willingness and ability to take risks, create a management team and organize the necessary resources.

However, the concept of entrepreneurship can refer to the search and exploitation of opportunities without emphasizing the existing resources and capabilities of the organization. By taking into account or ignoring the constraints on available resources, organizations are called upon to put their ideas into practice, considering, detecting and cultivating a new venture and limiting uncertainty. As a practice, entrepreneurship is based on knowledge and is a way of behaving in which changes in the

economy and society are perceived as normal. Individuals or collectives take advantage of new opportunities in a state of uncertainty by introducing their ideas to the market and making various decisions (e.g. about the location and use of the product). Overall, business is affected by the socio-economic environment and subsequently, it affects economic growth and human well-being.

Entrepreneurship and the role of the entrepreneur

The main object of study of many researchers in the international literature was the role of the entrepreneur and his importance for the phenomenon of entrepreneurship. Cantillon was the first to highlight the contribution of the entrepreneur to economic growth, presenting him as a person who operates in a state of instability and uncertainty in order to engage in profitable transactions. Entrepreneurs are considered as inventive and imaginative individuals who receive constant information and identify beneficial opportunities. The main difference in the aforementioned approaches lies in the view of the entrepreneur as a person who "perceives" (Kirzner) or "imagines" (Shackle) the opportunities to be exploited.

In terms of the skills and characteristics of entrepreneurs, their existing literature attributes the intention to take risks, to find and exploit opportunities in the business environment, the possibility of transforming opportunities into uncertain outcome projects and critical decision-making on rare resource management decisions that require judgment and benefits from the profit as compensation for the uncertainty and the risk that is shouldered. Innovation, creativity, desire for recognition, independence, success and self-realization, experience and autonomy, are the driving forces of those who "operate", to create value in the form of products/services or business units and aim to make a profit by taking advantage of environmental opportunities

Leadership ability, adaptability and confidence are additional skills attributed to entrepreneurs, The entrepreneur as the protagonist in achieving growth and economic change, who by selling the product on the market, pays the factors of production and makes a profit. In the same vein, Marshall presented the entrepreneur as a change agent and organizer of financial resources and production. Earlier, in his work "Wealth of Nations," Adam Smith argued that the entrepreneur creates an organization for commercial purposes and must be protected from competition. In contrast to the aforementioned economic considerations, the dimension of innovation, as a characteristic of the entrepreneur, was introduced later.

Conclusions

The role of the entrepreneur seems to have a positive effect on the development of entrepreneurship in the current conditions of business environment. Particular importance is attached to the role that the entrepreneur can play in cultivating entrepreneurship both in the internal and external environment of their business.

Overall, despite the rich and potentially conflicting existing literature on the concept of entrepreneur, several scientific findings establish the success of the entrepreneur in the circumstances surrounding him, in their knowledge, skills, and personal characteristics. The existing literature has comparatively examined the extent to which the entrepreneur is influenced by their inherent characteristics or external environmental factors.

Entrepreneurship is one of the pillars of development and prosperity of societies, and the role of the entrepreneur is irrevocably the most important in the development and adoption of entrepreneurship. The importance of a socially efficient entrepreneurship and the role of the entrepreneur is imperative to be passed on to local communities, schools, international markets, and all businesses.