

UNDERSTANDING ENTREPRENEURSHIP AS AN AGENT OF CHANGE : FROM A SOCIOLOGICAL PERSPECTIVE

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The new institutional economist believed that understanding of social institutions is needed to know the economy of any society. It includes combined knowledge of sociological components like norms, belief system and social relationships for the drive of becoming entrepreneur. Like Max Weber focuses on the actors and different social institutions to get an understanding of beliefs system in religious and cultural spheres, norms, polity, economy, education, law, state and etc. So there is need to understand social institutions like family, marriage, kinship, ethnicity, polity, culture, economy etc. The sociological perspectives or concern for understanding entrepreneurship shows that the entrepreneurship is affected by different levels of stratification and inequality in a society. The perspective says that concept of entrepreneurship in both the social and economic connection is viewed for the purpose for solving social problem of the society through the change in the basic socio-political and economic systems. Thus entrepreneur is seen as an agent of social change. This work deliberates on the conceptual framework of entrepreneurship to facilitate its instrumental importance as an agent of change. Here various approaches of entrepreneurship are considered to perceive the inter-linkages between individuals, groups and communities in society (ies).

Keywords: *Entrepreneurship, Institutions, Sociological Perspective, Change Agent*

INTRODUCTION

The new institutional economist believed that understanding of social institutions is needed to know the economy of any society. It includes combined knowledge of sociological components like norms, belief system and social relationships for the drive of becoming entrepreneur. Like Max Weber focuses on the actors and different social institutions to get an understanding of beliefs system in religious and cultural spheres, norms, polity, economy, education, law, state and etc. So there is need to understand social institutions like family, marriage, kinship, ethnicity, polity, culture, economy etc. The sociological perspectives or concern for understanding entrepreneurship shows that the entrepreneurship is affected by different levels of stratification and inequality in a society. This is usually related with the job opportunities for the people by the entrepreneur. Because organizational foundations generate a great deal of employment volatility through job creations and destruction. Thus there is need to understand the business groups and the even group firms which are seen as a change agents in the economy or society. The perspective says that concept of entrepreneurship in both the social and economic connection is viewed

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LITERATURE REVIEW

The book entitled 'Social Entrepreneurship' (2009) by B.S. Patil (ALP Publications) and another book entitled 'Understanding Enterprise, Entrepreneurship and Small Business' (2003) by Simon Bridge, Ken O'neill and Stan Cromie (Palgrave Publications) are acknowledged contribution to the field or discipline of economic sociology, economics, management etc. The book relates to a current debate or trend in the above fields and also in the social entrepreneurship, social management and so on. It discusses conceptual and theoretical lineage or school of thought which is of great relevance from economic sociology perspective. It includes the terms like traditional, social and business entrepreneurship which are well defined.

The book chapter by Simon Bridge, et al on "Understanding Enterprise, Entrepreneurship and Small Business" intends to reflect on Sociology of Entrepreneurship, sociological perspective for understanding entrepreneurship, its role as a social problem solver, and finally entrepreneurs as an change agents in a society. The article says that all the capital constitute in the making of the human capital.

There is accuracy is the information related bibliography and explanation. The illustrations given in the article are very connecting and helpful. These illustrations are benefiting the reader of this article. This article is a rejoinder to the other articles in this field. This article can be used in many courses because it is very clear to be fitted into multi or inter- disciplinary courses due to its structure and examples.

METHODOLOGY

This study is based on content analysis or book review for the purpose of comparison types of entrepreneurship. The book by B.S. Patil (2009) is chosen for its cases of social entrepreneurs on behalf of diverse communities. The book by Simon Bridge, et al is used to discuss the approaches of entrepreneurship. Together these two, books content analysis or reviews helps to bring forth the article on the entrepreneurship: its concepts and approaches and analyses of institutional types to understand economic sociology and latter entrepreneurship. Those book chosen has cases of social entrepreneurs which represent poor and marginalised sections from sociological perspective of entrepreneurship. These book's content analysis or reviews helps to bring forth the issue of entrepreneurship, as an agent of social change.

CONCEPTUAL FRAMEWORK OF ENTREPRENEURSHIP

The book by Patil traces the origin of the word entrepreneur which goes back to the 19th century. It is the French economist, Jean Baptiste who defines “entrepreneur as a person who uses economic resources out of an area of lower productivity into the area of higher productivity and greater yield”. Further, the discussion acknowledges Webster saying “entrepreneur is a person who organizes, manages and assumes the risks of a business enterprise”. Thus entrepreneur is one who does result oriented work which becomes a business.

Here the author says that the entrepreneur’s previous experience generates opportunities for new business because their diverse social network favors entrepreneurship. It is said that the brokers in the venture can bridge structural holes for entrepreneurs. It is clear that most of the firms are started as small firm due to less funds. Later the composition of firm’s entrepreneurship shows high level involvement of gender, ethnicity, specific occupation aspects etc. The chapter also focuses on the twentieth century academician, Joseph Schumpeter who says that the function of the entrepreneur is to reform or revolutionize the pattern of production by invention, technology, innovation in products and opening, reorganizing an industries etc.

The author says that there are three types of entrepreneurships, that is, Traditional, Business and Social entrepreneurs as a change agents. Emerson and Twersky says, social entrepreneurs is a combination of economic venture with skills and knowledge for creating social influence along with economic gains.

Author uses definition of J. Gregory Dees (1998) who says “a social entrepreneur is any person, in a sector, uses earned income strategies to pursue a social objective, and a social entrepreneur differs from a traditional entrepreneur”, in a two ways. Firstly, Traditional entrepreneur does action which is socially responsible, refuse certain business, donate money to non-profits, treatment with dignity and respect, use safe environmental material and practices. All this is admirable because it solves social problems in some way or the other.

On the other hand, the earning or income of social entrepreneurs is straight forwardly attached to their commitment or mission, like, controlling school drop-out, producing devices for physically challenged people, providing home care center, preparing syllabus of social problems etc. The social entrepreneur employ people who are developmentally disadvantaged, sick, poverty-stricken, etc. They sell mission driven products or services for the welfare purpose.

Secondly, Traditional entrepreneur is seen with the economic measures. The measurement of being successful or not in the economic venture seen through profit or loss indicator. And, social entrepreneur need to have twin combined consideration of economic and social benefits. The benefit or profit is one of objective which is devoted in the mission rather than given back to the owners.

Author defines social entrepreneurship as a mission which has objectives to sustain social value, has continuous innovation capacity, taking up new opportunities to serve

that mission; not constrained by resources; and has sense of accountability for the mission.

SOME APPROACHES FOR ENTREPRENEURSHIP

The book by Simon Bridge, et al deals with some approaches for entrepreneurship. Firstly, economic approach specifically concerns entrepreneurship and economic sector. They view entrepreneurs as seeker of opportunity with engagement in pioneering coordination of possessions or resources in the pursuits of profit. Equilibrium theories says, profit is a not consistent forever because of struggle in market but prudent decision to use resources can give possibility of economic benefit. Economic motivation is important but successful initiation could afford a sense of achievement. It is long standing theories but do not indicate why some people emerge as entrepreneurs and others not. Entrepreneurs are rational decision-makers and play a role of interpretation in this process.

Secondly, sociological approach says individuals do not have option for occupation. The limitation in choice of occupation are experienced and are expectations in social order. Roberts says that opportunity structure decides the level of education and employment sectors. The ambitions are moulded by "structure through which he or she passes". The opportunity structure will have different impact on persons of different knowledge, skill and motivation. The social structures shapes the possibilities and expectations of the individual. Individual socialized are expected to behave in role set.

Dominant values will be translated in expectations which influences behavior of an individual. Like business-owning parents and unemployed laborer has influence on behavior. It is important for entrepreneur to grab opportunity by taking decision and not just sitting and waiting. But where there is no opportunity of becoming entrepreneur, they can become catalyst. Entrepreneurship needs ideas, opportunity, sources, skill and drives then social structure and circumstances for success. Socio-economic condition including class structure and family structure and parental profession decides decision. This chapter reveals the example that the ethnic groups has more entrepreneurship than other in United kingdom. There are 43.5% parents in self-employment or in small business ownership of the country.

The author says that the localities help along with market abilities to develop problem solution mechanism with institutional structure for small entrepreneurs to sustain their entrepreneurship. Gibbs says increased culture of entrepreneurship is through sets of values, attitudes and belief by different entrepreneurship and bureaucratic management. Increasingly culture of entrepreneurship are derived from family, peers, community activists and the media.

Thirdly, Social-psychological approach says that behavior is limited by contextual factors like influence of social realities. The behavior can be risky or innovative ones. Here classification of enterprising individual according to behavior in certain

circumstances is described. According to Chell and her colleagues the characters of Business owners, prototypical entrepreneurship and their associated behavior are characterized as alert to opportunity, proactive, restless, innovative, utilizers of financial resources, high image and ideas person and adventurous person who engages as an agent of social change. Hierarchical model or stage of development for owners are of four types; entrepreneur, the quasi-entrepreneur, administrators and the care-takers.

Here the context is important for individual who do not progress on mainstream and gets marginalized but turn to entrepreneurship as means of escape. Example, emergence of women and ethnic entrepreneur. Comments to this theory is that there are narrow sample used to see the influence of context on behavior. The owners typologies of Small business are not same for all. There are three types of owners like craftsman, entrepreneur and professional managers. According to Smith in 1960's, craftsman-owners ran rigid and stable firms and has opportunities to head the growing and adoptive firms. Opportunity-owners, craftsman entrepreneur and inventor-entrepreneur are persons who create and develop firms, not an end in itself but as a mechanism to facilitate invention and presentation of new product.

This categorization also helps to make point that not all business owners are entrepreneurs. Example, craftsman with same traditional practice like that of parent may have business but are not enterprising. The work of Miner, Smith and Bracker (1990's) also shows tripartite typology. Comments to this categorization is that it is applied only to people in the context of their business. It is not clear that whether small business can change to big business.

The author explains, fourthly, Psychodynamic approach explains Freud's psychoanalytic theory says, individual have instinctive drives to quickly fulfill their needs. While doing this they land up in problem due to ego and get constrained by instinctive behavior. The control measures safeguard them from complicated situations while achieving the needs. With further development, they realize that behavior is even disapproved by the significant others and a superego develops to limit behavior by moral code of parents and society. Many conflict arises amongst them for the resolution of these situation which is influential in constructing a personality. The behavior of an individual is guided by instincts and if this instinct is constraint then there is frustration in the personality. Further this frustration becomes the reason of motivation for be an entrepreneur.

The other approach is psychodynamic approach which is based on the three grounds. Firstly, the behavior of an individual is goal-directed due to internal force of an individual, secondly, the unconscious need instigate the behavior and finally, the exposure of child at the early to the challenges are decisive for the development of personality. Kets de Vries says early frustration are product of unhappy family background, like, father's negative image development and suppression drives by force to control an individual. Unconscious drives cause the negative consequences on jobs or careers. In the process of controlling by others in an organisation, an individual is labeled as an deviant. This marginalised person is forced to change the

jobs now and then. This is so because this person do not accept direction and control in organisation which leads to vivid job experiences enhancing skills of expertise for doing business. As a result of wide experiences, they start own business in with they are not under anyone's control rather they control their business. Comments for this approach is that, it do not cover all situations. The unemployed deviant are not typically success entrepreneurs. Entrepreneurs in their 30's or later are influenced by their behavior

Finally, author talks about Cognitive approach which includes personal characters of an individual for decision-making process. Decision on the basis of reality are perceived differently by entrepreneurs. It depends on how individual perceives the situation. Entrepreneurs should see entrepreneurship as viable career option. Opinion about job requisite are attributes, knowledge, skill and resources. Personal background includes level of potential accomplished, circumstances possibilities and social support

UNDERSTANDING INSTITUTIONAL FRAMEWORK

The article starts with discussion on the new institutional economist like Alston, North, Williamson etc. who agrees that understanding of social institutions needs comprehension of sociological parameters like belief system, normative system and social relationships for becoming an entrepreneur. Here sociologist like Max Weber also discussed focusing on the actors and different social institutions for understanding belief system in religious and cultural spheres, tradition, normative system, polity, economy, education, law, state and etc. Even Durkheim's conceptions of beliefs system, norms and collective sentiments are also discussed. Marxism says economic institutions (relation) shapes the world but religion is also considered for it. It is seen that the power groups make public policies suitable to their interest which is shows as the common interest. Robert K. Merton also says that the social institutions has a structures of opportunity which shapes the interest of the people and ensures the strategic action of an individual.

Further, Coleman stresses, it is not enough to speak only of the actors and their interests; it has to consider resources and control also. Pierre Bourdieu states that the individual actors in the economic spheres carry their economic habitus which has shades of past experiences for future course of actions. According to North, the social institutions have both the formal rules such as constitutions, laws and property rights and also informal rules through code of conducts, traditions, sanctions and taboos.

To add, Bruce Carruthers explains that it is not only economic interests which influences political interests but also the vice-versa. Parsons and Smelser explicates that the economy is a subsystem of the social system which inter-changes with the other three sub-systems of the polity, integrative sub-system and cultural-motivational. Viviana Zeliser puts forward the ideas that it is necessary to take economic and cultural factors into account to understand economy. Here George Simmel's work reflects on the associations of money with authority, emotions, trust and other trends.

DiMaggio says the cultural analysis of the economy is necessary but it should not be in excess ratio. Durkheim, Weber, Pareto, Tonnies and Talcott Parsons are structural-functionalists of modern sociology. They believed that the social institutions are an organised system of cultural system and normative system which are common to most of the individuals in a society. These systems give rise to socially structured interests and organised incentives for individuals in the society.

SOCIOLOGICAL PERSPECTIVES OF ENTREPRENEURSHIP

After looking at the different perspectives, it is clear that the sociological perspectives are important for understanding entrepreneurship. It is seen that economic ventures are more and more used to solve social problems. The solutions to the problems need basic change in the socio-political and economic systems. So the assessment of the business and entrepreneurship is in the creation of a viable and growing business and not only in survival and expansion. Here social entrepreneurship may transform the social dynamics and systems which produced and sustained the social problem by organisation which may be small and less viable as it succeeds.

The research says that various plans by the entrepreneur for the poor and marginalised sections of the society have transformed the lives of millions of people. There is visible change in the socio-political and economic spheres of life. The not-for-profit organisations who get the commercial subsidiaries from the government use the facilities to create employment or revenue to serve social objectives.

On the other hand, the for-profit organisations donate their profits to serve social objectives for the needy people. They use resources generated from the business to sustain their social objectives. Thus social entrepreneur is a catalyst for the social transformation who goes beyond the solutions of the social problems and look for sustainable development.

It is known that social entrepreneurs catalyse small change sustaining into a long term change in the system. They have understood that the solution of the problem lies in knowing the social system and its inter-depending system for mutually-reinforced change of sustainable transformation in social systems.

Sustainable social transformation needs innovations and concern to create social impact through available resources. This needs movement in the social context where the problem arises along with innovative solutions to mobilise ideas, capacities, resources and social arrangements needed for long-term oriented sustainable social transformation.

In doing comparison of the cases of social entrepreneurship, the focus is on four features of their experiences like the type of the innovations, qualities of the leader, the organisational and institutional features of social entrepreneurship and the means for creating social impacts. This has shown that the innovative efforts have indeed been made to some extent to solve the problems arising out of poverty and marginalization to create social transformation.

ENTREPRENEURS AS AN CHANGE AGENTS IN SOCIETY

Are the entrepreneurs a social change agent in a economic system or society? Do they serve new markets by creating new ways so as to move the economy forward ? Yes, Entrepreneur are identified as the catalysts and innovators for the economic progress. This has started use of the concept of entrepreneurship. The solutions to the problems often needs fundamental change or transformations in not only the economic but also in the political and social systems. Thus they can both reproduce and challenge the existing social order because social inequality is existing in all spheres of society and it is not only visible in economic organization for production and distribution.

DISCUSSION

The book deliberated on the conceptual framework of entrepreneurship and the three types of entrepreneurships. Some approaches for entrepreneurship like economic approach, sociological approach, socio-psychological approach, psychodynamics and cognitive approach are discussed here so as to understand the capacity of the individual through the group in the communities to become a business, traditional or social entrepreneur. In conclusion, the paper deliberated on the conceptual framework of entrepreneurship to facilitate understanding of entrepreneurship, with the instrumental importance of social entrepreneurship. The various approaches of entrepreneurship are considered to perceive the inter-linkages between individuals, groups and communities in society (ies).

Sociological perspectives to understand entrepreneurship shows that the entrepreneurship is affected by social stratification and inequality arising out of it in the society. This is shaped by the creation and no-creation of jobs by the entrepreneurs in the economy. Thus there is need to understand the business groups and the even group firms or collection of firms which are change agents in a economy or society.

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