

Entrepreneurship and Economic Development

Economic Development:

Economic Development is the creation of wealth from which community benefits are realized. It is more than a jobs program, it's an investment in growing your economy and enhancing the prosperity and quality of life for all residents. Economic development essentially means a process of upward change whereby the real per capita income of a country increases over a period of time. The entrepreneur plays a vital role in economic development.

Role of Entrepreneur In The Economic Development Generation of Services:

The entrepreneur who is a business leader looks for ideas and puts them into effect in fostering economic growth and development. Entrepreneurship is one of the most important inputs in the economic development of a country. The entrepreneur acts as a trigger head to give a spark to economic activities by his entrepreneurial decisions. He plays a pivotal role not only in the development of the industrial sector of a country but also in the development of the farm and service sector. The major roles played by an entrepreneur in the economic development of an economy are discussed in a systematic and orderly manner as follows.

(1) Promotes Capital Formation:

Entrepreneurs promote capital formation by mobilizing the idle savings of the public. They employ their own as well as borrowed resources for setting up their enterprises. Such types of entrepreneurial activities lead to value addition and creation of wealth, which is very essential for the industrial and economic development of the country.

(2) Creates Large-Scale Employment Opportunities:

Entrepreneurs provide immediate large-scale employment to the unemployed which is a chronic problem of underdeveloped nations. With the setting up more and more units by entrepreneurs, both on small and large-scale numerous job opportunities are created for others. As time passes, these enterprises grow, providing direct and indirect employment opportunities to many more. In this way, entrepreneurs play an effective role in reducing the problem of unemployment in the country which in turn clears the path towards the economic development of the nation.

(3) Promotes Backward Region Development:

Entrepreneurs help to remove regional disparities through the setting up of industries in less developed and backward areas. The growth of industries and business in these areas lead to a large number of public benefits like road transport, health, education, entertainment, etc. Setting up more industries leads to more development of backward regions and thereby promotes balanced regional development.

(4) Reduces Concentration of Economic Power: Economic power is the natural outcome of industrial and business activity. Industrial developments normally lead to the concentration of economic

power in the hands of a few individuals which results in the growth of monopolies. In order to redress this problem a large number of entrepreneurs need to be developed, which will help reduce the concentration of economic power amongst the population.

(5) Wealth Creation and Distribution: It stimulates equitable redistribution of wealth and income in the interest of the country to more people and geographic areas, thus giving benefit to larger sections of the society. Entrepreneurial activities also generate more activities and give a multiplier effect on the economy.

(6) Improvement in the standard of living: Increase in the standard of living of people is a characteristic feature of the economic development of the country. The entrepreneur plays a key role in increasing the standard of living by adopting the latest innovations.

Employment Creation And Training

Creation :

By creating a new venture, entrepreneurs generate employment opportunities for others.

- Creation is defined as the tendency to generate or recognize ideas, alternatives, or possibilities that may be useful in solving problems, communicating with others, and entertaining ourselves and others.
- Creation is the ability to come up with new ideas and to identify new and different ways of looking at a problem and opportunities

Process Of Creation:

The process of creation consists of the following steps;

- **Opportunity or Problem Recognition:** A person discovers that a new opportunity exists or a problem needs resolution.
- **Immersion:** The individual concentrates on the problem and becomes immersed in it. He or she will recall and collect information that seems relevant, dreaming up alternatives without refining or evaluating them.
- **Incubation:** The person keeps the assembled information in mind for a while. He or she does not appear to be working on the problem actively; however, the subconscious mind is still engaged. While the information is simmering it is being arranged into meaningful new patterns.
- **Insight:** The problem-conquering solution flashes into the person's mind at an unexpected time, such as on the verge of sleep, during a shower, or while running. Insight is also called the Aha!
- **Verification and Application:** The individual sets out to prove that the creative solution has merit. Verification procedures include gathering supporting evidence, using logical persuasion, and experimenting with new ideas.

Training: Training is the process of providing required skills to the employee for doing the job effectively, skillfully, and qualitatively. Training of employees is not continuous, but it is periodical and given in specified time. It helps in bringing about positive change in the knowledge, skills & attitudes of employees.

- Employee training is a learning experience.

- A relatively permanent change in employees that improves job performance

There are two training methods:

- On the job training: job rotation, apprenticeships, internship
- Off the job training: classroom lectures, multimedia learning, simulation, and vestibule training

On The Job Training Methods:

The On-the-Job Training is a technique wherein the workers are given direct instructions to perform their jobs on the actual work floor. The workers can learn the skills that are required to be performed in the actual work conditions and also get accustomed to the working environment. Also, the organizations need not bear any additional cost of setting up a classroom or a simulated setup for imparting training to the workers, away from the actual work floor, as in the case of Off-the-Job training. Some advantages of OJT are as follows:

1. On the job method is a flexible method.
2. It is a less expensive method.
3. The trainee is highly motivated and encouraged to learn.
4. Much arrangement for the training is not required.

1. Job rotation: Job rotation involves the movement of employees from one job to another so that they can attain an understanding of the different functions and processes of an organization. It allows employees to work at different jobs and provides exposure to a variety of tasks. This helps him to escape the boredom caused by performing the same kind of work again and again and also helps in developing a rapport with other people in the organization. The cross-trained workforce provides the organization a great amount of flexibility when transfers, promotions, or replacements become inevitable. A valuable tool to increase employee motivation.

2. Apprenticeships: Instructions in combination with working alongside a coach or mentor. The experienced worker provides support and encouragement in addition to training. This type of training is generally given to the people in crafts, trade, and technical fields that require long-term learning before they actually gain proficiency in their respective disciplines.

3. Internship: Opportunities for students to utilize their instructions and training in a chosen profession as part of their education. It is short-term job training, which is a combination of job training and classroom instruction.

Off The Job Training Methods:

The Off-the-Job Training is the training method wherein the workers/employees learn their job roles away from the actual work floor. Simply, off-the-job training comprises of a place specifically allotted for the training purpose that may be near to the actual workplace, where the workers are required to learn the skills and get well equipped with the tools and techniques that are to be used at the actual work floor. As off-the-job training is expensive, employees who receive it may feel more valued by the company and therefore more motivated and loyal.

1. Multimedia learning: It can demonstrate practical skills not easily presented by other training methods. This may include videos and DVDs that may be offered online.

2. Simulation: It involves learning a job by actually performing the work in an artificial setting. This is one of the most common methods of training wherein the worker learns to operate tools and machinery that look alike to those, they would be using in the actual work environment.

3. Vestibule training: A form of training in which new employees learn the job in a setting that approximates as closely as is practicable to the actual working environment. It facilitates learning by using the same equipment that one actually will use on the job. This type of training is specifically given to the technical staff, office staff, and the employees who learn the operations of tools and equipment assembled at a place away from the actual work floor. This training is conducted to give the real feel to the trainees, that they would be experiencing at the actual plant.

Ideas, Knowledge, And Skill Development

Ideas: The idea is a formulated thought or opinion. Creativity results in ideas that have potential value. There are two sources to identify entrepreneurial Ideas, which are following:

1. Primary sources:

- It is direct or firsthand evidence about an event, object, person, or work of art.
- These are contemporary to the events, and people described and show minimal or no mediation between the document/artifact and its creator.
- The materials can be written and non-written, the latter including sound, picture, and artifact.

2. Secondary sources:

In contrast to primary sources, lacks the immediacy of a primary record. As materials produced sometime after an event happened, they contain information that has been interpreted, commented, analyzed, or processed in such a way that it no longer conveys the freshness of the original.

Knowledge: Knowledge is a familiarity, awareness, or understanding of someone or something, such as facts, skills, or objects.

- Entrepreneurs need to equip themselves with knowledge, especially in what should be done to the underlying business.
- For example, an expert on food, when you open a restaurant, they not only need to know about food procedures but and also business, providing the account, set the table employee and customer handling.

Skill Development:

A skill is a learned ability to perform an action with determined results with good execution often within a given amount of time, energy, or both. Skills development is the process of identifying your skill gaps and developing and honing these skills. It is important because your skills

determine your ability to execute your plans with success. In goal achievement, your skills are your tools. Apart from the experience and knowledge, one must do in work skills or their chosen fields. These skills are often born from experience and knowledge. This advantage is difficult to own. For example, a skilled craftsman to carve in a short period and high quality. Skill is a very important asset because not everyone has this advantage.

The Japanese Experience

- Japan experience is a Japan specialist travel company, offering unique products and services for travel to Japan. Helping customers plan their trip to Japan for more than 30.
- Japan experience has been helping travelers to plan their perfect trip to Japan.
- Japan experience offers 25 tours, 50 houses for rent in Tokyo, Kyoto, and other major cities in Japan.

Development of entrepreneurship is not always spontaneous. It is very often affected by environmental factors like economic, social, political, psychological, legal, and cultural, etc. these factors may have positive and negative influences on the emergence and development of entrepreneurship. In most of the developed countries, the educational system designed in such a way that it creates more job creators. The type of education prevailing in the country is also an important factor for entrepreneurship development.