

# Entrepreneurship and Environment

## Abstract

The purpose of this article is to explore the existing literature of the three main classes of drives economic incentives, personal context. There is a positive relationship between sustainability orientation and entrepreneur which disappears as participants gain greater business education and experiences. The growing research stream strongly shows the regulatory and societal surrounding environmental entrepreneur finally – To know various environmental factors that affect the entrepreneurship development, to determine the relationship extent to which these factors affect the growth and survival of an enterprise existing between an enterprise and its operating environment. "We cannot direct the winds, but we can adjust the sails." Environment – sum total of external factors within which an enterprise operates.

**Keywords:** Environmental Entrepreneurship, Economic, Business, Motivations, Factors, Socio – Cultural.

## Introduction

Entrepreneurship is the art of starting a business, basically a startup company, offering creative product, process or service. We can say that it is an activity full of creativity. An entrepreneur is a creator and have his / her own passion. The performance of an entrepreneur is dependent on his / her ability and willingness to perform. The 6Cs for 1 starting a new enterprise can be identified as – change, challenge, creativity, control, curiosity, and cash.

Entrepreneurial environment is full of challenges and the entire team is bound to face them. An enterprise exists within an environment helps the company to survive and grow. This type of environment is dynamic in nature. It changes because of different factors and condition. This further creates new challenge, some are made by entrepreneurship for self - benefit however these changed are not constant in nature.

"Entrepreneurial environment is a combination of factors that play a vital role in the development of entrepreneurship. First it refers to the overall economic, Socio – cultural, and practical factors that influence people willingness and ability to undertake entrepreneurial activities. We cannot separate organic life and mind from physical nature without separating nature from life and mind. The separation has reached that point where intelligent people are asking whether the end is to be a catastrophe, the subjection of man to the industrial and military machines he has created.

## John Dewey Experience and Nature 1925

Overall, the nascent environmental entrepreneurship literature has focused on a number of key questions. Entrepreneurship is the result of the interaction and assimilation of different social and environmental factors .

## Entrepreneurial Environmental

Entrepreneurial environment is a combination of factors that play a vital role in the development of entrepreneurship.

1. First, it refers to the overall economic, socio – cultural , and political factors that influence willingness and ability to undertake entrepreneurial activities .
  2. Second, it refers to the availability of assistance and support services that facilitate the start – up process.
  3. The available literature on entrepreneurial environment can be grouped into three broad streams –
    - a. General environmental conditions for Entrepreneurship.
    - b. Environmental conditions of a particular country or region.
    - c. The role of public policy in shaping the entrepreneurial environmental
- General environmental conditions for entrepreneurship includes -
1. Legal and institutional frameworks for efficient functioning of private enterprises.
  2. Presence of experienced entrepreneurs and spilled labor force.
  3. Accessibility of supplies and customers or new markets.



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4. Higher degree of competition among firms.
5. Favorable government policies .
6. Provision of training and support services.
7. Supportive infrastructure.
8. In addition, the literature suggests that the characteristics of people , their spits, experience, and motivation, play important roles in new venture creation.

#### **Country / Region Specific Environmental Conditions**

1. Countries that keep rules and regulations at par , offer tax and other incentives, and provide training and counseling services to start – up entrepreneurs increase the likelihood of new venture start ups.
2. Further more, factors such as availability of financial resources large size urban areas, and presence of universities for training and research are found to be very important to increase the rate of new venture creation.
3. Studies also show that entrepreneurs face several obstacles, such as lack of financial assistance, lack of information on various aspects of business, excessive taxation, and high rate of inflation.

#### **Role of Public Policy**

1. Scholars that focused on the role of public policy suggest several policy options for developing entrepreneurs.
2. This policy options include provision of –
  - a. Venture capital funds.
  - b. Tax-based incentives and governmental procurement programs.
  - c. Protection of proprietary ideas and innovations.
  - d. Investment in education and research.
  - e. Explicit recognition of, and support for entrepreneurship by government agencies. Fostering of entrepreneurship by educational institutions and minimization of entry barriers.

#### **Ee Development Objectives**

1. Identify Environmental challenges and changes.
2. Learn about the task of an environment.
3. To highlight the impact of environment on the promotion and development of entrepreneurship.
4. Understand by demographic, economic, natural, technological, political – legal, and socio – cultural developments.
5. Impact of the change of environment and future focus.
6. Learn how environment and entrepreneur cooperates and are responding to new challenges

Business environment refers to the aspects external to a business enterprise which influence its operation and determine its effectiveness. Business environmental may be healthy or unhealthy. Healthy business environment means the conditions are favorable to the growth of business where as unhealthy environment implies conditions hostile. Business and its environment interact each other. Successful working of business concerns improves the economic and social conditions in the country.

Thus, the entrepreneur should continuously study the nature of environment and its influence on

business. The most successful entrepreneur is one who not only adjusts to the environment but also modifies the environment to suit his requirements through the direct and indirect influences he can exercise over the system.

Business environment may be classified into many categories –

#### **Economic Environment**

Economic environment is of multidimensional in nature. It consists of the structure of the economy, the industrial, agricultural, trade and transport policies of the country, the growth and pattern of national income and its distribution. There is a close relationship between a business firm and the economic environment around it. Conditions of the economy where the business primarily operates. It includes- economic conditions, economic policies, Labor policies, trade and tariff policies and incentives and subsidies etc.

#### **Legal Environment**

Business must function within the framework of legal structure. There are several laws in our country. These relate development of corn panics, foreign collaboration, foreign exchange, lab our management, industrial disputes, social security benefits and other such allied problems. A working knowledge of these laws is very helpful for the entrepreneur. Such knowledge will keep them away from innocent breaches and resultant penalties. Some laws differ from state to state and amendments are made from time to time. Therefore, the entrepreneur must always keep in touch with those who know the latest position in law. Legal environment includes flexibility and adaptability of the law and other legal rules governing the business activities in a country. Factors related with legal environment are determining areas, regulation of entrepreneurial function and activities.

#### **Political Environment**

Public opinion is very important and today's public opinion becomes tomorrow's legislation. In a democratic country like India, politics cannot be ignored; managers and entrepreneurs should understand the working of the political system. As well as businessmen should establish a cordial relationship and proper communication with the people establish a cordial relationship and proper communication with the people in power and win their confidence. They should try study and understand of political affairs of the local, state and Central Governments. So it is concerned with general stability of the country in which an enterprise is expected to perform and political philosophy of party in power towards business. Political forces define the business climate by the constraints they impose and by the activities they permit. Political factors include – Political Philosophy, Political atmosphere and Quality of leadership.

#### **Technological Environments**

Technology represents the application of scientific knowledge for practical purpose. Factors leading to entrepreneurial growth are better utilization of productive resources, increase in competition

capacity, risk efficiency and improvement in productivity for entrepreneurs – Amazon, flip kart etc.

#### **International Environment**

International business environment deals with the forces which originate outside the home country in which an enterprise is working. It includes- Development of multination corporation, Globalization, GATT/WTO, International Capital Market etc.

#### **Socio-Cultural Environment**

Traditional culture should be protected as it is not a hindrance to innovation, motivation, and development work is done in a custom and experimentation is resented. Incentive to hard work and more earnings is reduced because one has to share his income with members of the joint family. Saving and investments are left to the household who is usually an old person devoted to traditions and static customs. The modern view is that employees should be treated as human beings. Unless a healthy work environment and modern attitudes towards work are developed, entrepreneurship cannot flourish, depressing social conditions and conservative attitudes hamper innovations. It is not easy to maintain and create the required quantity and quality of entrepreneurship, example – Changing life style , western influence on local consumer, caste system and cultural structure.

The entrepreneurial activity at any time is dependent upon a complex and varying combination of socio – economic , psychological and other factors. The various environmental factors exercise a strong influence on the personality or personal backgrounds of the entrepreneurs . A few empirical studies have been conducted to examine the socio – economic origins of entrepreneurs. The following socio – economic factors were analyzed caste origins , entry into entrepreneurship family background. Religious background, education background, migratory character, type of Industry started, type of ownership preferred.

#### **Environmental Factors Affecting Entrepreneurship**

A complex and varying combination of financial, institutional, cultural and personality factors determines the nature and degree of entrepreneurial activity at any time. The personal backgrounds of the entrepreneurs are determined by the environment in which they are born and brought up and work. A multitude of environmental factors determine the entrepreneurship spirit among people. The entrepreneurs in turn create an impact on the environment. The environment, particularly the external environment is dynamic. All the factors outside and inside like groups, machinery, equipment procedures, rules, policies etc. An organization interact and affect the performance of the organization entrepreneurship is environmentally determined. The

most essential for entrepreneurial growth is the presence of a favorable business environment. A healthy business environment requires active social and cultural behavior of the people, efficient economic conditions, helpful motivating Government policies etc. When environment mitigates entrepreneurship it must be modified.

#### **Conclusion**

The entrepreneurial environment of business firms. The entrepreneurs may come forward with new ideas to their enterprises. Knowledge about changing environment enables businessmen to adopt a dynamic approach & maintain harmony of business operations with the environment by studying the environment entrepreneurs can make it hospitable to the growth of business & thereby earn popular support . Thus, the entrepreneur environment & its influence on business however, more study is not enough Attempts must be made to influence the environment in order to make it congenial & favorable to entrepreneur is one who not only adjusts to the environment but also modifies the environment to suit his requirements through the direct & indirect influences he can exercise over the system.

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