CONCEPT OF ENTREPRENEURSHIP ANTI-IDEOLOGY

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Abstract. This paper presents the approach to the understanding of the entrepreneurship phenomenon. With this approach, it is possible to identify this social activity as essentially distinct from those that are seemingly similar but distinct in content. Having reviewed the relevant literature of this area of study with a critical eye, the author has identified systemic errors in the traditional understanding of entrepreneurship (first-order and second-order errors). Developing this approach, the author has introduced the concept of anti-ideology, which mirrors a nature of innovating as a process of creative destruction. This statement assumes that true entrepreneurship exists within the idea/anti-idea framework. The author has identified mandatory and sufficient attributes of entrepreneurial innovation. Based on the applied methodology, the author has proposed a model of progressive materialization for the anti-idea (Progressive Materialization of Anti-idea, PMAi). It helps to measure entrepreneurship in terms of its innovating component.

Keywords: entrepreneurial creativity; model of progressive materialization of entrepreneurship anti-idea (PMAi); innovations; entrepreneurship attributes

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1. Introduction

Entrepreneurship is getting more and more crucial in the economy. In today’s world, the entrepreneurial mind-set has acquired structure within the framework of social relations. The recent growing interest in this phenomenon is owed to the unprecedented pace of technological advancements and rapid economical development. This growth has provided incentives to the wider consumption of goods, provoking market participants to produce products and services that are fiercely competitive and advantageous to consumers. Globalization essentially exacerbates this trend, as the division of labour leads to the diversification of production facilities. Together this has created a demand for the personality of the entrepreneur who, active in business, has an innovate and singular way of thinking as a distinctive feature. It is this phenomenon on which people lay their hopes when they solve the issue of creating new market opportunities in the world of excessive surplus. The mentioned issue predefines the chosen object of research.
Now at this point, it is important to specify the scope of economic relations which innovation creates, i.e., the sphere of entrepreneurship that results in commercially introducing goods previously unavailable in the mass market. Therefore, this area of research identifies those specific features that are inherent in the innovating entrepreneur, and making it possible for him/her to develop as an entrepreneurial genius. This leads to a need in completing a number of individual academic objectives, including highlighting certain attributes of such innovation, specifying the relationship between personal creativity and entrepreneurship. It is extremely difficult to find solutions to the mentioned problems. Among the reasons for that is the distorted idea of the entrepreneurship nature in terms of its true creative meaning.

2. Literature review

Researchers pay close attention to the entrepreneurship phenomenon. Such categories, as self-employment, small business, family business, start-ups, innovation-based and social entrepreneurship are equal activities in various sources. In nature, each of the mentioned economic activities has a distinct agenda and their merger often leads to the erroneous understanding of this phenomenon. For instance, in the paper on ‘Entrepreneurship in Terms of Uncertainty’, Sotnikova, Skvortsova and Lebedeva (2015) refer entrepreneurship to the activity of companies in general, excluding their specifics, size, etc. At the same time, in the paper on ‘Support to Entrepreneurs’ in Russia, Barinova, Zemtsov, & Tsareva (2018) apply the same concept to small businesses.

There is the similar terminology-related confusion in many papers on the features that describe business entities to one degree or another: ethnic (Ryazantsev, 2000), gender (Yudina, 2013; Gallyamov, 2016), age-specific (Semenova, 2018), etc.

When exploring the entrepreneurial success, Acharya, Rajan, & Schoar (2004) review small firms involved in agriculture. Proceeding from the self-employment criteria for survey participants, van der Loos et al (2013) explore the effects that testosterone has on entrepreneurial behaviour, Brandstätter (2011) reviews business owners in the research of personality aspects in entrepreneurship. Matthew and Williams (2014) (in their assessments of entrepreneurs’ decision-making opportunities) examined the participants, who had said that business had been their primary source of income.

Confusion arises from mistaking entrepreneurship with other types of economic activity. The most common error (first-order error) is the perception of entrepreneurship as a business making process. This means that people think that consider one an entrepreneur (business person, manager, investor; intermediary business owner) if his/her activities focus on economic benefits regardless of target figures and the nature of their business.

As we have mentioned above, the nature of these two types of activities (innovative-production and private business) is not the same, although people often refer them to the same concept of entrepreneurship. Their differences explain behavioural motives and a content-related side of business. Researchers distinguish the following main personality traits that are necessary for implementation of small business projects: independence, a risk taker, the ability to take responsibility for performance, higher work capacity (Soininen, Puimalainen, Sjogren, & Syrja, 2015; Begley & Boyd, 1987). Small businesses are mostly not innovation-based, i.e., do not lead to structural qualitative economic changes, but serve as a basis for economic stability and growth (Romanova, Korovin, & Kuzmin, 2017; Kowo, Adenuga, & Sabitu, 2019). At the same time, high-tech innovation requires fundamentally opposite traits (Dyer, Gregersen, & Christensen, 2008; Toomsalu, Tolmacheva, Vlasov, & Chernova, 2019), namely: the ability to innovate (creative thinking), to think of usual things outside of the box (divergent thinking), and to develop critical thinking, higher level of education in certain areas of knowledge, skills to make a relevant group and work in a team of highly qualified specialists.
The abovementioned terminology-related confusion causes systemic errors in the policy that define measures to support and develop entrepreneurial initiatives.

Various researchers confirm the idea of the existing entrepreneurial intelligence (Gardner, 2007), but what exactly forms the intelligence has not yet been clear. In general, Tschepurenko and Yakovlev (2013) and many others believe that the innovating entrepreneur is a person with an appropriate type of the genius (talent) as a distinct ability that differs the person from other types of genius in fields of logics, linguistics, etc. Repeated efforts to define the components of the genius (talent) have not yet led to impressive results (Kislin, 2008). There are many doubts in scientific validity of such attempts. Not all the researchers support the idea that the genius (talent) is an innate ability and stays undeveloped throughout the life (Day, Boardman, & Krueger, 2017).

The search for evidence of the entrepreneurial genius, its criteria, development of the methodology for its development and prospects for the methodology to be applied in the development of managerial competencies are main tasks that researchers face in this area.

The classification of the psychotypes, which economic entities (Litau, 2019) belong to, will make it possible to differentiate their functional role in business and find their attributes. Researchers have done multiple efforts to identify entrepreneurship components. As a result of such studies, models REASEC, META approach, etc. have grown in popularity (Annex). In attempts to identify key traits of the successful entrepreneur, researchers have repeatedly used the well-known five-factor model developed by Costa and McCrae (1995), so-called Big Five, which includes the following components: extravert nature, openness to experimenting, emotional stability, consciousness, and noconciliation habititude. It seems that each of the mentioned qualities to one or another degree describes the entrepreneur. However, it can equally belong to the people engaged in any other business. Hence, the model (in terms of the science methodology) is not a sufficient and necessary attribute of the entrepreneurship phenomenon (second-order error).

All of the entrepreneur’s traits (see Annex) implicitly have a methodology-related error. The presented descriptions of main traits do not make it possible for us to highlight the innovating entrepreneur’s personality in an unambiguous way, as an enumeration of traits does not provide us with a holistic view of the phenomenon.

3. Material and Methods

So far, we have not had a clear definition of entrepreneurial creativity and features that help us to distinguish entrepreneurial creativity from other types of creativity. Researchers have not yet made fully clear the psychometric characteristics of this type of talent. It is crucial to understand what a sufficient attribute of the entrepreneur is, i.e. identify a fundamental and inherent trait that provides for the genesis of this phenomenon itself. The phenomenon under consideration discloses itself in the course of a creative action.

Economic activity of the subject should lead to appearance of the product, which (as we might consider) is a result of creativity. Creativity is an activity, in the process of which people create qualitatively new values or produce something objectively new. The unique character of its result is a main criterion that distinguishes the entrepreneurial creativity from other economic activities (Masloboeva, 2016). Leasing of commercial real estate, retail trade, etc. are not creative entrepreneurial activities. They are examples of efficient economic activities aimed at economic benefits, but they are not innovative in any way.

The category of creativity has symbiotic relationships with destruction (creation through destruction). The understanding of entrepreneurial activity as aimed at destruction corresponds to the dialectical negation law in terms of academic logic. We might state that entrepreneurial activity generates a contradiction by means of
creating the new and destroying the old. Thus, the dialectical contradiction is a distinguishing feature that
describes entrepreneurship and distinguishes it from all of the other activities, despite the fact that names are the
same due to the circumstances. Consequently, the subject, who initiates this type of activity, is an innovating
entrepreneur, so significant for the economy.

This leads to the conclusion, which is the most important for the understanding of this phenomenon. Any object
newly created by innovation must have a pair (anti-object), something that will be destroyed as a result of creating
the new object. The absence of the mentioned dynamics in the development of the produced pair of goods points
to an uncreative nature of activity, assuming that the activity is not entrepreneurial in the given framework.

The availability of the anti-object is a criterion of the entrepreneurial idea. The pairing test allows verifying the
results of labour in business (assuming production of goods, works, and services) for compliance with the activity
referred to as entrepreneurial and innovative. In this context, the newly created object (good) simultaneously
assumes the anti-idea, something that will be destroyed upon implementation of the innovative component. Based
on significance and prevalence of the anti-idea, we can make reasonable predictions on significance of the
entrepreneurial idea.

Thus, in terms of creation-destruction, a sufficient attribute of entrepreneurship is the activity, in the process of
which people produce the new good, introduction of which inevitably leads to the destruction of available ones
and the evolutionary change in socio-economic relations. These new goods and methods compete with the old
ones and thus competition leads to socio-economic progress in society.

Further, in compliance with the theorization methodology, we will identify attributes of entrepreneurship.

4. Results and Discussion

Real entrepreneurial creativity has inextricable connections with gaining of economic benefits. This implies the
most important component: entrepreneurial creativity does not exist outside of its connection to the economic life
of the society. It is impossible to assess the significance and scale of the entrepreneurial idea if it is not
implemented. The action of creative destruction must also happen. Therefore, a necessary attribute for the
entrepreneurship and innovation is the inalienable connection of the economic entity with the society expressed in
socio-economic relations that arise regarding the introduction of the newly created good.

Innovating entrepreneurs do not have distinctive external features that would help to distinguish them from other
entities. At the same time, achievement of the commercial success often requires considerable time. The paradox
is that there is a public need in innovators, but what they exactly are is unclear until the success in their business.
Only Schumpeter managed to overcome this challenge when he considered the entrepreneur through creative
destruction, thereby referring to the most important category of creativity (Schumpeter, 1942). We can show
Schumpeter’s creative destruction as a process of a search for the anti-idea and we have used this in the proposed
model for entrepreneurship formalization.

The entrepreneurship anti-idea progressive materialization model (PMAi) (Figure 1) might serve as a basis for the
assessment of innovative concept significance and further development of the system of criteria to assess scale
and usefulness from possible materialization of the entrepreneurial creativity.
Anti-ideology is a combination of the goods, which will be jeopardized in case of implementing the entrepreneurial idea. The model shows an inextricable connection between the materialization of the entrepreneurial idea and the destruction of existing goods that simultaneously occur. The absence of this bond assumes the absence of the innovative component in the idea under consideration.

Prior to materialization of the entrepreneurial idea, its social necessity is considerably uncertain. We broadly understood social necessity assuming the achievement of commercial success and social benefit. The measurement of the entrepreneurial idea value from this point of view makes it possible to evaluate its capacity.

The anti-idea progressive materialization model clearly shows an internal connection of necessary and sufficient attributes of entrepreneur's innovation. The proposed attributes (creation of the new good and bond with the society) reveal its content and make the basis for the development of tools, using which we can set it off against other types of economic activity.

In quantitative measurements of the entrepreneurial idea value, we come from a scale of its influence on the market and from a level of its social utility (Figure 2).
We measure idea significance in terms of the social benefit. Implementation of the idea destroys an available good, thereby starting the process of economic development. Therefore, the new good must be beneficial in itself. To measure significance of the entrepreneurial idea, there is the chosen optimal range of quantitative ratings from 1 to 7. We consider it optimal for sociological, marketing, and economic research (e.g., Likert scale) (Reshetnikova & Dovgan, 2015). The second parameter (scale level) lies on assessment of the idea distribution (sales might serve as such a criterion).

It follows from Figure 2 that the shaded area is the most desirable both in terms of the economic benefit for a single subject, who implements an innovative idea, and in terms of the society. Undoubtedly, there might be the good with a poor social benefit and wide distribution.

Thus, the PMAi model allows measuring the entrepreneurship in terms of the innovative component.

Following up upon the discussion of the author’s approach, it is time to point out that people erroneously consider the entrepreneurship phenomenon within the framework of economics outside the transdisciplinarity methodology (Bazhanov & Scholz, 2015). Most of the activities done by the entrepreneur are only possible through solving of comprehensive cognitive tasks. Hence, in order to understand the entrepreneur’s traits, one needs to know a lot about how the human mind works. At the same time, we are sure that there are certain features of thought processes that are typical for the entrepreneurial and innovative type of the personality. While researchers of entrepreneurship are just starting to apply methodology of neuro sciences (Laureiro-Martinez, Brusoni, Canessa, & Zollo, 2014; de Holan, 2013; Ortiz-Teran, Turrero, Santos, Bryant, & Ortiz, 2013), close attention to the brain and its operation has had a long research tradition with the focus on ways of thinking’s influence on underlying
motives (Goodale, Kuratko, Hornsby, & Covin, 2011), narratives (Garud & Giuliani, 2013), aspirations (Armstrong & Hird, 2009), actions (Townsend, 2012), imagination (Cornelissen, 2013), cognition (Mitchell et al., 2002; Chuvikov, 2017), knowledge (Shane, 2000; Vlasov, & Demin, 2017; Vlasov, Juravleva, & Shakhnov, 2019), intuition (Mitchell, Friga, & Mitchell, 2005), and even the way of thinking (Haynie, Shepherd, Mosakowski, & Earley, 2010). At the same time, they attempt to explain the relationship between mental operations and a specific action or no-action in terms of entrepreneurship.

It is worth paying attention to the fact that setting off the personality against other psychotypes helps to attribute something as the entrepreneurship. In this context, we can use results of psychological and neuropsychophysiological research to design efficient groups of managers.

Conclusion

People have started to perceive the innovating entrepreneur as a structure-forming element in economic development. The growing number of papers on this subject clearly confirms this. Our research has made it possible to elaborate entrepreneurship theorization and make this phenomenon formal.

In the course of the research, we proposed the approach to understanding of entrepreneurship. The approach makes it possible to identify this activity as essentially distinct from other similar economic activities. We refer entrepreneurship and innovation to the subject’s activity aimed at deriving economic benefits to create new goods. The introduction of new goods inevitably leads to the destruction of existing ones and an evolutionary change in socio-economic relations. In the framework of this approach, we have introduced the concept of anti-ideology in entrepreneurship. The concept mirrors the nature of innovating as a process of creative destruction. This methodological principle is a basis for the model of progressive materialization of the entrepreneurship anti-idea (PMAi). It makes it possible to evaluate the capacity of an entrepreneurial idea before time of its implementation.

References


Annex. Overview of perception and entrepreneur’s personality traits (second-order errors)

<table>
<thead>
<tr>
<th>Source</th>
<th>Model/Key parameters</th>
</tr>
</thead>
<tbody>
<tr>
<td>Timmons (1994)</td>
<td>Imposed obligations and determination, leadership, constant search for new opportunities, risk tolerance, ambiguity and uncertainty, creativity, self-confidence and ability to adapt, motivation for excellence</td>
</tr>
<tr>
<td>Gray (2002)</td>
<td>Based on the model proposed by J. Timmons, contributing the mandatory component: motivation and driving force</td>
</tr>
<tr>
<td>Holland (1997)</td>
<td>RIASEC model: Realistic (R), Investigative (I), Artistic (A), Social (S), Enterprising (E), Conventional (C).</td>
</tr>
<tr>
<td>David, &amp; Edward (2011)</td>
<td>Striving for achievements and recognition + internal locus of control</td>
</tr>
<tr>
<td>Ahmetoglu (2011)</td>
<td>META-approach, presented as a 4-axis structure: sensitivity to emerging chances, creativity, opportunism, and farseeing</td>
</tr>
<tr>
<td>Shane &amp; Nicolaou (2010)</td>
<td>Extrovert in nature, openness to new experience, friendliness, consciousness, emotional resilience</td>
</tr>
<tr>
<td>Singh, &amp; Rahman (2013)</td>
<td>Creativity, innovation, dedication and hard work, good planning, sincerity and commitment, endurance, personal resourcefulness, self-efficacy, ability to take risks, ability to make decisions, flexibility, target orientation and internal locus of control</td>
</tr>
<tr>
<td>Desai (2001)</td>
<td>Emotional resilience, personal relationships, attention and tact</td>
</tr>
<tr>
<td>Ehigie, &amp; Umoren (2003)</td>
<td>Self-concept, perceived managerial competence, operational pressure, duties at work</td>
</tr>
<tr>
<td>Acharya, Rajan, &amp; Schoar (2004)</td>
<td>Self-efficacy, locus of control for the both states</td>
</tr>
<tr>
<td>Bulu (2005)</td>
<td>Success, hard work, good idea, money</td>
</tr>
<tr>
<td>Hui, Csete, &amp; Raftery (2006)</td>
<td>Self-efficacy, locus of control, decision making, attitude towards risk</td>
</tr>
<tr>
<td>Nandram, &amp; Samson (2007)</td>
<td>Attention to detail, ability to see chances, persuasiveness, target-orientation, self-confidence, creativity, courage, reliability, ambitiousness, tenacity, disposition toward empathy, locus of control</td>
</tr>
<tr>
<td>Abdullah, Hamali, Deen, Saban, &amp; Abdurahman (2009)</td>
<td>Progress, decision-making and achievement-oriented thinking, risk management, tenacity, establishing of contacts, optimism</td>
</tr>
<tr>
<td>Man (2019)</td>
<td>Active experimenting, authenticity, social interaction, sense of ownership, support</td>
</tr>
<tr>
<td>Karabulut (2016)</td>
<td>Locus of control, need in achievements, risk tolerance, entrepreneurial vigilance, entrepreneurial intentions</td>
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</tbody>
</table>
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