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Entrepreneurship and Management: Challenges, Issues and Opportunities in the Global Economy

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A Study of Entrepreneurial Opportunities And Challenges And Their Impact On The Development Of World Economies

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ABSTRACT

Globalization, as term indicates mutually towards “Shrinking” of the whole world and our improved awareness about the world as complete. It’s a phenomenon referred to state the variations in societies and economies of the world resulting from increasingly dramatic investment ,trade of cross-broader, and cultural exchanges. The impact of globalization is considered among varied nations, cultures and regions since it led to increasing interdependence among people with respect to influence on society, political systems, economical and cultural exchanges.

A characteristic to be found in a global leader is Global Entrepreneurship. The individuals termed Global entrepreneurs are the individuals who have knowledge and are familiar with the global network which they practice to classify transnational prospects to form into endeavors as to create value. Not all global entrepreneurs are businesses making profits; many are outstanding in the non-profit world also where they are forming enterprises for social causes. Some leaders use global intrapreneurship, where they consume their efforts from within organizations and create more value and global prospects for it (Hisrich, 2010).

Entrepreneurship is a multidimensional phenomenon. Processes like new product development, innovation, price strategy, technology, management culture, disciplinary action and change in

management etc. makes entrepreneurship complex. Among all the relative problems faced by young generation entrepreneurs to establish new business, 'capital' is the foremost to be dealt with. By making proper use of Market space Business some entrepreneurs try to solve this issue.

Global entrepreneurship is beneficial as it leads to knowing the business and corporate know how about how to perform globally . There can be more dissimilarities and more advanced ideas for business products and marketing as companies all around have different set of ideas and labor markets. An entrepreneur gets advantage of moving in the foreign lands by entering the wide field of global entrepreneurship. They get to receive a full-fledged idea about what the localities desire and demand , and get to know the trends fluctuating in the consumer market of those countries. Moreover, it opens the way for entrepreneurs to have a thorough knowledge of learning tactics and strategies to function in these markets.

As further a major goal of reaching overall development focuses on striking proper use of resources of country mainly human source that is regarded as most considered capitals of every other country.

The relevant data of the study is gathered from World Bank and Global Entrepreneurial Monitor (GEM).The conclusions of research states magnificent positive effect of entrepreneurship on growth of economy. Relatively, they also indicate impact of explanatory variables on growth. Meanwhile,the ratio of expenditure done by government to Gross Domestic Production (GDP) has adverse effect while trade liberty and proportion of admission in schools have positive impact on growth of economy.

Key words: - Entrepreneurs, Economic Growth and Development, Employment, Challenges,Global Entrepreneurship, Opportunities,Government.

INTRODUCTION

Entrepreneurship nowadays is a common word but due to the growth of globalization, the word global entrepreneurship has become quite familiar. It is the term used for the entrepreneurs who run businesses at global level. Businesses today aspire for multinational corporations to consider their entrepreneurial leadership skills. Many challenges and opportunities come attached with Global entrepreneurship that are discussed in this paper along with the techniques to overcome those challenges. In order to be successful, it is essential for the entrepreneurs to recognize the global nature of the business and the environment they are working in.

With the use of secondary research data and examining content this research paper will confer challenges and opportunities faced by global entrepreneurs. There are immense opportunities in global entrepreneurship for the leader whose aim is to operate in and search for new international markets for the benefit of their products. The opportunity for entrepreneur is that selling of products and business internationally will increase their area of working and lead them to explore new markets for growth and profitability. This reduces the dependence on home country sales and opens up for a complete new set of consumer markets with varied tastes and preferences. Global entrepreneurship makes opportunities for entrepreneurs to take benefit of the raw materials, manufacturing and labor costs. If business performs in one country it reduces the cost of manufacturing and labor as they employ locals and take benefit. It make easy for them to devote more on advertisements and appealing the market rather than on manufacturing, production and transportation. It is essential for businesses of today to have complete knowledge and awareness about the various opportunities and the challenges faced by global entrepreneurship and this article purposes to provide a thorough justification of these opportunities as well as challenges using theoretic base.

Since, a crucial issue has always been the presences of primary economic schools, ways of computing nations wealth, and essentialsinfluencing determining nations wealth. Efforts introduced an effective approach viz. “growth accounting”. Entrepreneurship, the main requirement of whose capital is bravery, creativity, and using chances, is considered the efficient source for growth of economy leading to wealth production and enhancing productivity.Explainingmore, existence of extreme natural resources or given system of socio-political environment does not necessarily ensure growth, rather it focuses on human resources. Entrepreneurship relies on opportunities instead of employment of resources (Stevenson and Gumpert, 32:1991). The continuing era is known for globalization and information age and innovative consequences are faced, fast changes and major competitions. In this kind of environment entrepreneurship proves as crucial factor for growth and upliftment.

Definition of entrepreneurship

Entrepreneurship as always is included in every life aspect of human beings. It is considered base for development of human community. Though, in the evolution course it is being mentioned in diverse ways. Entrepreneurship isstated as "the practice of origination and combining opportunities along with perseverance and great efforts together with using opportunities with lots of effort and perseverance together with accommodating, psychological, social and financial risks". "It is although inspired by self-satisfaction, indeed motivated by receiving profit promotion and independence." (Hisrich, 2007: 172).

Definition of entrepreneur:

In the Cantillon's texts the term entrepreneur emerged first.According to him economic factors revealed three levels: workers, owners and entrepreneurs. For him, an entrepreneur is someone who is interested in involvement of practices as to complete lacking of deficiencies. Cantillon further states that the origin of entrepreneurship is because of lack in right predictions. As Vone Thunen, too, discriminatedamong fund initiator and entrepreneur. One of Austrian school founders, Menger measured this variation, too. Primarily, he describes an individual as an entrepreneur who relates factors of production and presents entrepreneur on the basis of personage (Lumpkin and Dess, 631: 1996). Added by Marshal other important task of

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entrepreneur to compare neoclassic theoreticians: termed"new routes pioneers". Seemingly, new monetarist economists who are neoclassical while preparing models do not consider entrepreneur. Knight and Schumpeter distinguished between supervision and management along with duties of entrepreneur.As suggested by Herbert and link (1989) defined who is an entrepreneur and what are his roles."Entrepreneur is one who is capable for taking correct decisions that will influence environmental conditions including resources, product or an institution" (van Dkjk and Thurik, 1999)

How entrepreneurship affect economic growth:

Innovation a relatable term for creating something different and new which has relative value for an individual, an organization, a particular group ,an industry or the whole society. Innovation marks its presence in both an enterprise as well as entrepreneur. Answering difficulties and subsequent opportunities require solutions which relate to a distinct status. Hence,creative aspect along with its resultant innovativeness is crucial for growth of an enterprise. (Higgins,1995) .

Traditional model depicts that growth of economy occurred by gathering of capital and extraordinary progress of technology, none of these focus on role of entrepreneur. Recently, prevailing models of growth support the impression that enhancement in technology turned to be perpetual force for promotion of standards of living.

Literature Review

Samli (2009) clarifies that value creation is included in global entrepreneurship by analyzingmutual grounds between dissimilar markets or cultures and using them to generate an unified effect. Markets can be collaborated and so can diverse cultures. Playing on the similarities, despite of the differences, is what their strategy is.

Samli (2009) added that organizationtrying to bring different cultures on a singlestand by standardizing their brand capacity refers to this sort of value creation. Some examples of these are McDonald's and Nike.Likely,organizations such as Intel attempt to considerlargely applicable and beneficial technologies to various communities (Samli, 2009). Dana (2004) states another kind of value creation overcreation of difference .A strategy to uniting dissimilar cultural elements to enter new markets is initiated to lead to cultural importance. In an attempt to tap unique and distinct market, customization of your product and strategies for consumers would lead to give them what they actually want, irrespective of what you desire for them. For example, some of the products made by IKEA are designed in Sweden, and then assembled in China while using African cotton along with Polish plywood.

Casillas (2007) recognized the accounts and control issues that are involved in challenges that appear in the sector of accounting.Not only it leads to difference in methods and accounting standards, but also points towards communication and relationship differences between capital initiators and organizations.

Further, the next issue related to finance is risk included in the fluctuating foreign exchange rate. It needs proper management and monitoring, otherwise will lead to loosing of huge amount of money. It is taken as foreign exchange rate exposure, which indicates the risk that mightappear in upcoming changes which the country's exchange rate might suffer that canoffend the business's operating incomes, stated by Dana (2004).

Casillas (2007) additionally says, that proper infrastructure is the major lacking point of new ventures when they plan to go global. They suffer while operating in scattered farawaymarketplaces. Variations in time appeared to be problematic while observing workweeks of different countries such as China, North America, India and Europe has work days from Monday upto Friday, whereas Saudi arabia's and UAE's workweek exists Saturday till Wednesday and Israel functions starting from Sunday to Thursday, thefurther Muslim nations work constitutes beginning from Monday to Saturday.

Santhi (2012) recognizesa different challenge that is psychic variance which occurs from political systems, religion, culture, and furtherrelative factors.Entrepreneurs adopt counterintuitive activities in order to overcome psychological barriers. Nations ensure their different environmental, judicial, labor, separate political, and governing bodies. Every task performed by entrepreneurhas a great affect on the chances of a rise in capital and shareholder's return on investment. It's a wider challenge to deal with issues like these. To perform globally is to look after several diverse countries at the same time is itself mindboggling.Even if the product or service is of a startup or a new venture ,customers desire their expectations get met. The entrepreneurs do not have much to choose but only to consider theirneeds from the initial day to make them loyal customers (Santhi, 2012).

Carraher (2014) states that performing globally simplyoffersthe entrepreneur a great opportunity to benefit. Many organizations accept global entrepreneurship for the sake of gaining status to perform globallyand achieve competitive advantage over competitors. Many operations of the business are internationalized and leveraged when a business truly goes global.Kshetri (2014)includes, problems related to society and government might also be a reason that entrepreneurs consider performing globally. Moreover, entrepreneurs choose to go global if conditions of societal tensions like governmental instability or political outrage which leads to decline in consumerism. (Kshetri, 2014).

Introducing research variables:

This section consists of variables:

1) Entrepreneurship (TEA):

There are exceptionalthoughts and perceptions; however there does not exist adequate methods to substitute for entrepreneurship in Schumpeter-Baumal framework described earlier. It is basically stated that a variable is absent to depict entrepreneurship as measure of growth.

For example, the usage of reviews to depict entrepreneurship could be alternatively misleading and scholars too have raised various objections(Bertrand and Mullainathan, 2001: 67) proved this issue. Imagine anindividualfocusing on directly linked tasks like activities of seeking rent (such as an enterprise working for money laundering) at the time of 'entrepreneurial survey' quite possible that she/he would state themselves as an 'entrepreneur' although she/he is owner of abusiness or are self-employed. It means that her/him will be an entrepreneur conferring to the reviewer. But keeping in mind that this process of surveying will not be used for measuring entrepreneurship productivity (Salgado – Banda 2005: 8).

Global Entrepreneurial Monitor (GEM) is an abstract association comprising teams for scientific research. Its prime goal involves valuation and proposing authentic data for researching at international level regarding activities of entrepreneurship. GEM's theoretical model is loosening upon in what way entrepreneurship is prejudiced and formed by nationwidesituations of countries. It is shown by, three features of entrepreneurship; such as,motion, tendency and passion (Basma *et al*, 2012).

2) Trade liberty (TRD): Its calculation is done as under on basis of study of Anderson (690: 2001)

TRD=X+MGDP

3) GDP growth (GDPG): Based on rates of foreign exchange the growth ratio of GDP annually has market prices fixed. Gross added value is GDP by national creators by adding any taxes on product subtracted by any abatewhich is excluded in products value. Variable's Growth rate is determined through subtraction of amount from primary amount divided also by the primary amount and then multiply by 100.

D) The percentage ofexpenditure done by government towards GDP (EX): Cash payments and amount spend for activities of government in order to provide services as well as commodity for inclusion of wages of labor force, contributions in terms of finance, subsidies and charged,incentives for societywith expenses such as rent and profits by stocks. (world Bank, 2013).

5) Net enrollment rate of school: The net proportion of involvement of school – which gave enrollment to children on the basis of categories in education in 1997 is the section of children educated and formally enrolled to final linked educated population (World Bank, 2013).

6) Inflation (INF): The easiest method to simplest way to compute rate of inflation is:

INF = ((B – A) / A)* 100)

According to this A depicts price index at the starting of period while B indicates price index for the period ending.

Methodology

In this research qualitative approach is used and themethodology adopted is secondary examination of data which states that the situations would be understood and explored thoroughly with the gathered information. Data has been gathered from variouslatest journal articles that include varied opportunities and challenges of global Entrepreneurship. The accumulated data and information are then examinedby using methods of content analysis in order to describe the situation of the global entrepreneurship. The inquiry includes weaknesses, strengths and inference of global entrepreneurship.

Research Findings and Analysis

The analysis of the associated literature gives detailed knowledge and understanding about various opportunities and challenges posed through global entrepreneurship. It is discovered that global entrepreneurship might also occur by creating platforms that will encourage and support global exchange. Example, Hong Kong's relatively Global sources include a standard platform for trading to enable trade singlehandedly among Asia and clients over the globe. To generate international value over and above the ports they use their extremely strongest system of logistics. There are several challenges and drawbacks that come with global entrepreneurship recognized by theorists and scholars.These compriseissues of accounts and control, human resource management, challenges of exchange policy, issues related to culture etc.

It is observed that certain problems of human management are linkedby global businesses. It might be an issue of staffing policies wherein employee requirement constitutes a perfect blend of culture and experience of performing in the home and host country. Knowing the situations overseas that is what all expatriates suffer while they are working so as to ensure comfort and balanced work life, while training and development, appraisal and compensation everything is necessary.Moreover, the transnational businesses human resource has to cope up with the idea that performance of expatriates might hinder as they can get homesick. Keeping a record by assuring market leadership of organization and ensuring productivity of employees is a beneficial task to be performed daily. Global organizations do not look to be 24 in markets, instead to penetrate the markets they look for effective community. Hence, it is required for them to ensure leaderships in their respective market rather of every other continent. The risks firstly include exposure of transaction's in which net cash flow is affected by fluctuations in prices of foreign exchange. Organizations are required to generate strategies for pricing and policies of invoice to avoid this.The examination of secondary recordsadditionally states that variety of traditions and cultures that global entrepreneurs function in are the ultimate opportunities.When aspiring to go global,companies face many challenges, cultural differences but they also act as great opportunities to gain the trust of the extensivegroup of customers. To develop goodwill among the customers, businesses need to be culturally respective and supportive. Alternative opportunity includes going to different places globally and assessing the market. Sometimes the aged or declining nature of home market leads to decrease in sales and generates negativity for business. One example of aged demographics is decline in sales of American market and their potential to sell. For global entrepreneurs technological improvements are alternative opportunitywhile aspiring for global markets .It proved true for entrepreneurs migrating from countries which are developing to developed. This might further

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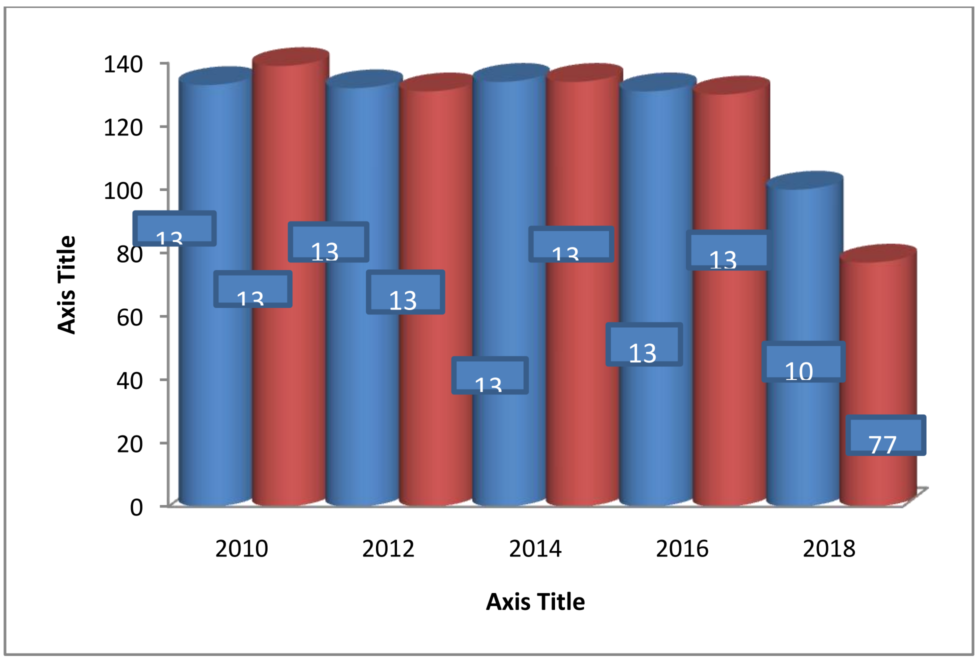
lead to other opportunities due to adoption of various ways of technology to reach customersfor business's adequate growth to stand unique.

India among 190 economies ranked 77 in the affluence of continuing a business, surveyed in latest annual ratings of World Bank. India improved its ranking from 100 in 2017 to 77 in 2018. India's ease of conducting business from 2008 until 2018 averaged 124.82 ,striking arecorded height in 2010 of 139 and a utmost low in 2018 of 77.



Entrepreneurs have progressive effects of employment in the short as well as long term,and adverse effects in mid term

Entrepreneurs encouragegrowth of employment by generation of latest jobs at the time of entering the market.Research shows (after unraveling all the probable effects) that over and above thisinstant effect a much complex, over time S-shaped effect over time (Figure).

There exists a direct relation between effect of direct employment that come up with latest jobs been created. Subsequentto the initial phase, usually there exists a stagnation phase and also a downturn as businesses coming newly acquire market share from firms already existing due to incompetency and failure of new entrants.After the intermediate phase of subsequent failure and dislocation of firms existing ,the relative hike in suppliers competitiveness will lead to better gains .

After start-ups initial ten years, the consequence of latest business development on employment finally faded. This wave pattern was seen for the US and a number of countries of Europe, and for a sample of 23 Association for the purpose of Economic Co-operation and Development (OECD) countries

Productivity is boosted by new businessess

Oppositionamong existing and new firms preferablyindicates to existence of the fittest. New firms will be able to develop productivity, even with decline of employment. The enhancing impact of productivity of business development emerges in midterm, when effect of employment is overruled through existing .

This occurs because of two reasons. Firstly, emerging firms enhance competitiveness among markets and decline existing firms power over market, leading them either to be more effective and efficient or leave the market. Secondly, firms consisting either competitive advantage or are relatively efficient will conquer the market.

India's economy

As one of leading ,youngest and newest in worlds populations, a millions of good quality jobs requirement is on India's back to assure good living standards for the citizens.

India is often considered as one example of economy which directly moved towards modernizing by popping straight into services instead of going via manufacturing. The ratio of manufacturing has been constant in India has been relatively stable above past two decades, but lowest than ASEAN countries and China.

India's economy at a glance

GDP per capita $1,627 USD	GDP growth (2005-2014) 6.3% average
Output per worker $10,249 USD	Employment Rate 55.5%
Poverty rate 2001 ↓ 2011 85.1% 68.7%	Middle Class 2001 ↑ 2011 1.7% 3.5%

India emerged as third largest tech start-up site globally

India emerged to be third on the list globally,according to survey by NASSCOMand have more startups that are tech-driven than China and Israel. Those who stand ahead of India are the United States and United Kingdom.The startups number is increasing every year. Projections indicate that by 2020 there will be 2,100 in the country. India is in the way to startup boom with the support of government initiatives.

Barriers to Entrepreneurship

A percentage of only 7% to start their business used their savings account (the section is relatively smaller for income distribution below 40%).A final placed ranking for small organizations is not particulary for wanting good ideas, since India marks fourth in patent applications measure. But upcoming entrepreneurs lay back by a justice system that is inefficient with quite low rank indicators like the time and occurred cost of initiating a new venture,imposing a contract and determining insolvency.

Starting new business/venture in India:

1420 Days needed to enforce a contract	4.3 Years to resolve insolvency	50% Share of income to start a business	60% Fewer new businesses registered than Indonesia & Phillipines

Conclusion

Despite its reform experience being very young, “India has succeeded to mark its presence in entrepreneurial scene globally,irrespective of its youngest reform experienced.The citizens of India holded the name which goes as “world class entrepreneurs”.Better opportunities that occur among the country create requirement for jobs and moreover an insatiable craving for upcoming talent of entrepreneurs.

The studies of researcher’s show that despite of many opportunities in global entrepreneurship, its challenges cannot be overlooked.However, these challenges could beoverwhelmedthrough certain plans which benefit in creating global entrepreneurship enhanced for the sake of entrepreneurs. Before planning to enter global market, to overcome the challenges, the entrepreneurs need to perform general and market surveys to know the needs and requirements. Research also initiated trends, varied tastes, different cultures, and diverse functions of market.It will lead them to a direction before commencing their business.Alternate way is relatable analysis relating to varied regulations of government, accounts, costs, risks of market, finances, etc. to assess two different countries. A reasonable analysis will give a fair picture of capable opportunities and strengths that entrepreneur will face. Thus, value will be created through global entrepreneurship as its beneficial. The chances for upliftment of global entrepreneur re high, but if thorough research of required nature is not conducted , the benefits for the same will decline to minimum.Hence, Global Entrepreneurship is, more beneficial and so its drawbacks and challenges are straightforwardly overlooked by its relative opportunities.

Opportunities: 1. Enhanced risk surviving abilities 2. Freely moving towards world trade 3.Speeded technologies and innovations in world 4. Encouraging inventions 5. Increased assistance by government for trading internationally.6. Establishing nationwide and businesses globally.7. Challenges for development of society and culture worldwide.

Challenges: 1. Issue to raise equity 2. Problems faced in fund borrowing 3. Severe competition restricted growth of companies. 4.Not easy to gather raw materials. 5. Imbalance of ecology 6. Problems of TRIMS and TRIPS 7.Degradation of small and underdeveloped countries.

As predictable, well-matched with literature, exists an important and immense positivity in relation among entrepreneurship and economic growth. Saying similarly, results reveal that creating new entrepreneurs and nourishing entrepreneurship can assure economic development and growth of a country. According to results, the literacy rate, if measured through net rate of enrollment in school in the study, indicates a beneficial impact on growth of an economy. Likewise, the result of upliftment economies growth appeared to be negative due to rise in inflation, the sector of production would be impaired leading to obstacles in growth and development of economy.Conclusions illustrate the rise in expenditure by government in national economy is challenging for economic growth.

On the basis of outcomes, authorities will be able to achieve extravibrant economy by fundamentalculture of entrepreneur so as to develop suitableenvironment to uplift activities of entrepreneur, decreasingexpenses done by government and inflation similarly paying extra attention towards foreign trade.

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