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6-2007

### Entrepreneurship as a Wealth Creation and Value-Adding Process

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#### Citation

TAN, Wee Liang. Entrepreneurship as a Wealth Creation and Value-Adding Process. (2007). *Journal of Enterprising Culture*. 15, (2), 101-105.

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## **JEC EDITORIAL**

### **Entrepreneurship as a Wealth Creation and Value-adding Process**

*15 years have passed*

It is timely to do a stock-take of the definition that this journal has adopted since its inception in 1993.

It has been 15 years since we began and started printing the three definitions in the inside cover of our journal. It seems such a short time ago when we started out. I was then what they consider a “newbie” in the field. The field, entrepreneurship, was then also at its early days after the first encyclopedia had been published in 1981 but I was newer.

It might be fruitful to highlight the words (the definitions) we include in our journal by re-encapsulating them again for the readers, just in case like many things in life, they are assumed to be part of the furniture and ignored.

#### **ENTREPRENEURSHIP, ENTREPRENEUR, ENTREPRENEURISM AND ENTERPRISING CULTURE**

##### **WHAT IS ENTREPRENEURSHIP?**

Entrepreneurship is “the process of doing something new and/or something different for the purpose of creating wealth for the individual and adding value to society”.

##### **WHO IS AN ENTREPRENEUR?**

An entrepreneur is “a person who undertakes a wealth-creating and value adding process, through incubating ideas, assembling resources and making things happen”.

*Source: Kao, Raymond W. Y. (1993) Defining entrepreneurship; past, present and? Creativity and Innovation Management, 2(1). Basil Blackwell Ltd*

### WHAT IS ENTREPRENEURISM?

Entrepreneurism is an ideology based on the individual's need to create and/or innovate, and transform creativity and innovative desire into wealth creation and value adding undertakings for the individual's benefit and common good.

*Source: Kao, Raymond W. Y. (1997) An Entrepreneurial Approach to Corporate Management, Singapore: Prentice Hall*

### WHAT IS ENTERPRISING CULTURE?

Enterprising culture is “a commitment of the individual to the continuing pursuit of opportunities and developing an entrepreneurial endeavour to its growth potentials for the purpose of creating wealth for the individual and adding value to society”.

Kao, Raymond W. Y. 1993, Singapore

Starting out with the journal then, I wrote an editorial on the definitions that Raymond WY Kao had coined in 1992. I was very much in favor of the definitions as they enabled anyone to become an entrepreneur by choice. Then I wrote in praise of the Kao-ian entrepreneur. That Kao's entrepreneur extended entrepreneurship beyond the Schumpeterian entrepreneur or the Kirznerian entrepreneur.

#### *Developments since then*

Any regrets, the reader might ask. My emphatic answer is NO. The reality is the definition has been adopted by practitioners and events without attribution to the originator of the ideas. That is one way to conceive of the events since 1993.

I draw attention to one idea manifest in Kao's definition. The idea that I am speaking of is the domain of entrepreneurship. The domain of entrepreneurship is not confined to business. By defining entrepreneurship as a process, Kao also implied that adoption of the definition and implementing it merely required a mindset change. Any person could be an entrepreneur and it was not limited to the business arena.

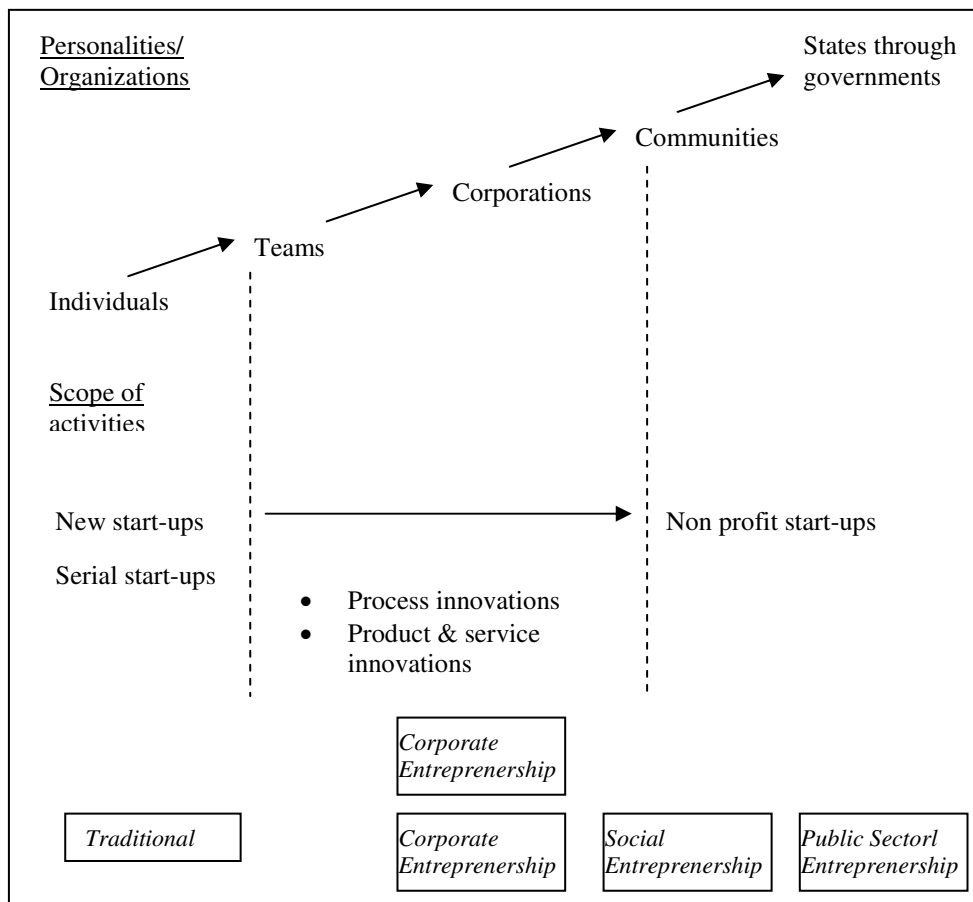
We have observed the introduction of entrepreneurs into governments with the book by David Osborne and Ted Gaebler, *Reinventing*

*Government : How the Entrepreneurial Spirit is Transforming the Public Sector.* Politicians have been called entrepreneurs. Minister Mentor Lee Kuan Yew of Singapore in 1994 called his team of first generation ministers in Singapore entrepreneurs (The Straits Times, 1994).

Procedural entrepreneurship saw its way into governments and public service without even in the midst of business process re-engineering we saw the birth of entrepreneurship (e.g, Keys, 1988)

Communities and non profits have also joined the entrepreneurship movement with social entrepreneurship. Here there have been two schools of thought – social entrepreneurship as a subset of non profit management. In this sense it is just another way for existing non profit organizations to extend their scope with new innovations to address social needs and yet be self-sustaining. The second school sees it as a new area related to entrepreneurship and yet pertinent to the sphere of social problems.

The spectrum of entrepreneurship has enlarged. It can be depicted below in the Figure.



What is common about these new spheres of entrepreneurship is the departure from the early confines of prior definitions that a business start up is the goal of the entrepreneurial efforts. They extend entrepreneurship into new spheres at times calling upon the power of the name of entrepreneurship to refer to innovations, at times to refer to new ventures. But at most times to refer to the spirit of entrepreneurship: - creativity, wealth creation and ideas.

There have been two other trends that are relevant to our discussion of Raymond's definitions: - a growing global requirement for corporate social responsibility and the very recent concern about the environment not just within one's own backyard but globally while the corporate social responsibility movement has regained impetus in the last decade. In Europe, there is a White Paper on Corporate Social Responsibility. The issue of global warming has also added fuel to the movement for environmental concerns and environment management.

I highlighted these two trends because Raymond had the foresight to include in his definitions these concerns through the phrase "add value to society." No enterprise, invention or innovation, while creating wealth but depriving society, taking value away, has legitimacy in the world. Value can be reduced when the environment, communities or society is damaged or harmed. Mankind exists and demands that organizations and individuals serve the larger whole: - the common good. It does stand to reasons that greed and selfishness dictate that man and companies can do as they wish with all there is in the world.

Meanwhile in Canada, where Raymond has been teaching at McMasters University, the ideas in his definitions that he has developed into entrepreneurship (2002) and an elective are being considered by the Dean and for Raymond's ideas of entrepreneurship to be incorporated throughout the MBA curriculum.

As we enter the second decade of our journal, we live in exciting times. Entrepreneurship education and entrepreneurship have not just spread in scope of activities but geographically as well. Entrepreneurship is spoken of in China, India, Chile, and Laos and even in Teheran (Iran) where the writer had the opportunity to speak to government officials on public sector entrepreneurship at their request under the auspices of the Asian Productivity Organization in Tokyo. The journal's goal remains unchanged; we will still speak of entrepreneurship, enterprising and enterprising culture. We will aspire to foster research and interest in this area.

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