

Entrepreneurship
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Lecture 46

National Entrepreneurial Culture Part 1

Hi Friends, welcome to this session on Entrepreneurship. Hi friends, welcome to the course on Entrepreneurship. In this session, we will discuss a few aspects of National Entrepreneurial Culture.

When we talk about Culture, we talk about a set of thoughts, expressions and behaviors that characterize a society, a nation or an organization. Frequently we hear that there is a religious culture, there is a national culture, there is a sports culture, there is a task-oriented culture, things like that.

So typically, nations, societies, organizations are classified based on the cultural facets they display. Why is culture important, while several companies may be engaged in the same industry, and maybe engaged in the same type of business, there will be cultural differences as to how different organizations approach the industry, approach the marketplace, approach the customers, or how the companies deal with their own employees.

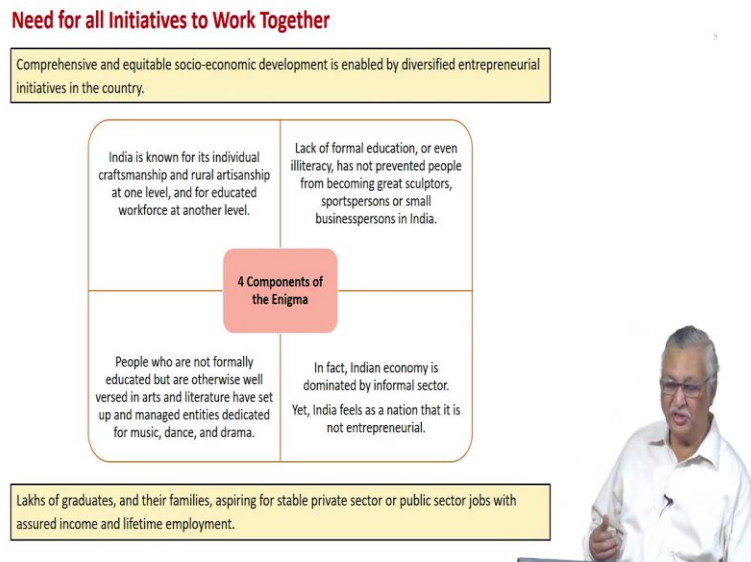
So, the agglomeration behavioral patterns that characterize an organization can be broadly termed as culture. Now, why is culture very important, culture is very important because it is like the DNA of an organization, there could be organizations which are very transactional in their culture, which is to say that I would like to produce something, I would like to sell, and I would like to earn revenues.

There could also be organizations which are very customer focused in their culture, which are customer centric and which treat each employee as an internal customer and each customer as an extremely important stakeholder, so the organizations differ as to how they conduct their business.

So, when we talk about entrepreneurship, obviously culture becomes a very important aspect. In the several sessions that we underwent previously, we discussed why it is very important to have entrepreneurship as a national movement. We also discussed as to why there is significant difference in societies, emphasizing employment versus societies emphasizing entrepreneurship.

This means that for a nation to be entrepreneurially driven, we do need a cultural manifestation of that spirit. In this session we will consider many of these aspects.

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In the previous sessions, we really looked at several aspects of entrepreneurship. And we also considered that India is very well known for its craftsmanship, self-employment, willingness of people to stand on their own legs, that is one part. On the other hand, when we come to the educated workforce, there is an unwillingness to stand on their own legs.

So, why is this difference, why is this dichotomy between the history of India as a self-employment oriented, small business-oriented nation and the kind of reluctance that the educated workforce displays towards entrepreneurship. So, to summarize this enigma, on one hand, India is known for its individual craftsmanship and rural artisanship at one level, and for educated workforce at another level.

So, the individual craftsmen, the individual rural artisans, the individual agriculturalist, the individual small business persons they all constitute the huge informal economy, the huge informal entrepreneurship that exists in the country. And probably they hold, they contribute to almost 90 percent of the total workforce. We also know that lack of formal education has not prevented people from becoming great in India. Sculptors, the craftsman, they did not have been educated the way the modern individual is educated in terms of degrees and the diplomas.

Similarly, several people who have, let us say not been the colleges have become excellent sports persons and small business persons. There is the second part of the enigma, people who are not formally educated, but for, but were educated in fine arts, literature, music, culture, arts, they themselves became entrepreneurs and set of formal entrepreneurial entities in their domains.

Therefore, whichever way we look at it, as long as you had certain craft, you had certain skill, certain aptitude to do a few things, those skills became the genesis of informal entrepreneurship in the country. But India generally feels that we are not as entrepreneurial as say, let us say, Silicon Valley or the west, or some of the entrepreneurial hubs that exist in Scandinavian countries or in the United Kingdom, or some aspects of China.

So, the thesis is that we need to have diversified entrepreneurial initiative across the country, so that we achieve comprehensive and equitable socio-economic development. And we also must have a good cohesion and good synergy between formal and informal employment.

So how do we change this mindset, or how do we change the cultural aspect where lakhs of graduates who graduate out of institutions each year would have their first preference in terms of a formal employment rather than as a formal entrepreneurship, so that is the enigma we have.

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Education and Entrepreneurship

For long, formal educational accomplishments and formal entrepreneurial aspirations tended to be inversely correlated; only now, a positive association is getting developed

Educated and hardworking
human resource base

A strong credo of hard
work and passion for
growth

Willing to embrace new
technology, as
demonstrated by
smartphones and farm
implements

One of the most youthful
demographics, globally

Where then does lie India's paradox of high education and low entrepreneurship?



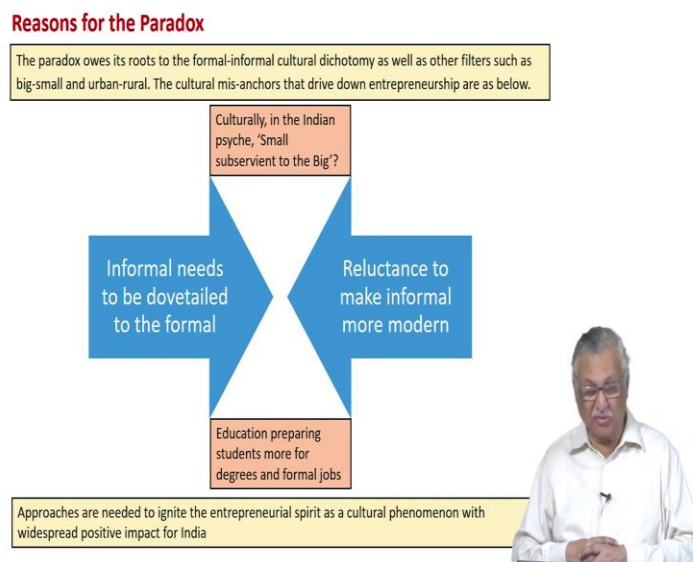
For long formal educational aspirations and formal entrepreneurial aspirations, formal educational accomplishments and formal entrepreneurial accomplishments, have not displayed a good correlation.

In fact, if you see, the more formally educated that individual is, the more reluctant the individual is to take up entrepreneurship. So, you can say that there is an inverse correlation. Similarly, lack of education and therefore lack of formal employment also has acted as negative motivation for people to seek self-employment or informal entrepreneurship.

If you summarize our situation, we have on one hand educated and hardworking human resource base, strong work ethic, ethic for hard work, a passion for growth. There is also a strong willingness to embrace technology, wherein you can see today a 3 wheeler being driven by drivers who are having GPS guided transportation, and everybody has a smartphone today.

So, there is a willingness to embrace high technology and to cap it all we are having one of the most youthful demographics globally. So, where does this Indian paradox of high education and low entrepreneurship, how does it figure out and where does it take us.

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So, the reasons for the paradox has its roots in the formal informal dichotomy as well as, other filters such as big small, rural, urban, these are the cultural mis-anchors that have served to disorient entrepreneurship in our country.

So, if you look at the 4 aspects of it, 1 probably, in the Indian psyche, small is always subservient to the big. So, a small land holder in a village is subservient to the larger land holder, a rural economy is subservient to a growing prosperous looking uber economy, a smaller educational institution is considered not so great as a larger education institution, big mall is considered superior to a corner shop.

So, therefore, there is a cultural aspect of India that small has to play subservient to big. Even in the organizations when we have the relationships between the original equipment manufacturer and the vendors, you will find the big small syndrome playing out. Secondly, education itself is so much oriented towards stringent classroom, pedagogy, and also preparing them for degrees and diplomas, rather than for entrepreneurship and self-dependence. There is an ethic of job orientation that has been built into educational stream from the very school days.

On the other hand, from the point of view of how India needs to progress informal economy is extremely important, and so is formal economy. Even in the developed west, we have informal economy, contributing to a preponderant share of jobs. So, informal economy is nothing to be disparaged about in fact, informal economy is far more important than is popularly recognized.

However, informal economy needs to be dovetailed to the formal because formal economy tends to act as the engine of growth. If a huge E-commerce company sets its base and expands, it leads to lots of informal green shoots of employment very quickly. Therefore, the power to drive an economy lies in the, but formal entrepreneurship, but the power to sustain the economy and make it highly diffused and highly decentralized lies in the informal economy.

But then the opposing factor is that there is a reluctance to make informal more modern, right from what happens in terms of small-scale service that happens in our households to what happens in the shops. There is a reluctance of the informal entrepreneurs to adopt the state of the art in terms of standard operating procedures or adopt newer technologies and be more perfect than they have been in the past. Therefore, there is a reluctance on the part of informal entrepreneurship to become more modern.

So, on the other hand, there is this requirement for informal entrepreneurship to be dovetailed to the formal entrepreneurship. On the other hand, there is a reluctance on the part of informal

entrepreneurship to upgrade its game. So, we need to have an approach that kind of removes these kinks makes it all working together in a very cohesive and collaborative manner.

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National Culture and National Entrepreneurship

Just as national culture is composed of many components, entrepreneurship is also a multidimensional construct. A typical delineation of national culture, to the extent of interpreting its influence on entrepreneurship, is as below.



Creative and diligent approaches are needed to develop a homogenous national entrepreneurial culture



So, when we look at culture on entrepreneurship, and why culture does influence entrepreneurship, we have to recognize that entrepreneurship itself is a multi-dimensional construct, just as culture has got several aspects to it, entrepreneurship also has got multiple constructs to it.

So, there are certain cultural factors of an economy or a society that influence how entrepreneurship takes off in the country. So, a typical delineation of the national culture and the impact it has got on an entrepreneurial culture is provided in this schematic.

So, what are these 6 factors of culture that are important in terms of the entrepreneurship behavior. One, we have a strong pay for performance culture, that is we perform and we would like to get paid, rather than waiting for their long, rather than waiting for that long term result and then providing that, these are the, this graphic demonstrates 6 cultural anchors that are very important in terms of influencing the entrepreneurship in a country.

So, fundamentally we have a pay for performance culture. As a group of people we are used to a system wherein we provide a day's work or a month's work and then would like to be paid for the

work which we have done, that is partly driven by the need for maintaining a family, maintaining oneself and also create certain corpus as long term savings.

On the other hand, there could be another model where you perform you, you basically perform for the long term for some huge important results, and then are willing to be paid in terms of wealth creation for that kind of performance. So, the first model of getting paid for daily performance or monthly performance is the classic employment model.

On the other hand, willingness to create something new over a period of time and then get paid for that in terms of wealth generation that such a new product generates is pay for the outcome. So, the pay for performance is one aspect of our culture which influences the entrepreneurship culture.

The second aspect is work for security. Almost every one works for the security of oneself and also of the family members. So, to be able to be an entrepreneur, you also require a family system that enables you to work even if there is some erosion of security in the process, we have considered how family is an extremely important aspect of entrepreneurial development.

So, work for security which is a strong cultural anchor in our society, that is the second aspect of culture influencing entrepreneurship. And the third one is family bonding. Normally, people would not like to take decisions that are at variance with what the family wants. So, if the family is employment oriented, and parents are happy, seeing the son or daughter being in a formal employment, people would like to go by that cultural anchor rather than say that no, I would create something new.

Therefore, entrepreneurs who overcome the family bonding and set out to do what they want to do are fewer in this country than elsewhere. So, the family bonding as a very important influencer of individual's entrepreneur instincts is another cultural factor which is very important in our country.

Then there is social collectivism. So, where you are employed, how you are employed, what is your role, what is your title, and where does your organization figure in the overall group of industries, what kind of weightage it has gotten in the social esteem, these are all very important

determinants of how an employee is perceived that means, how an individual is perceived in the society.

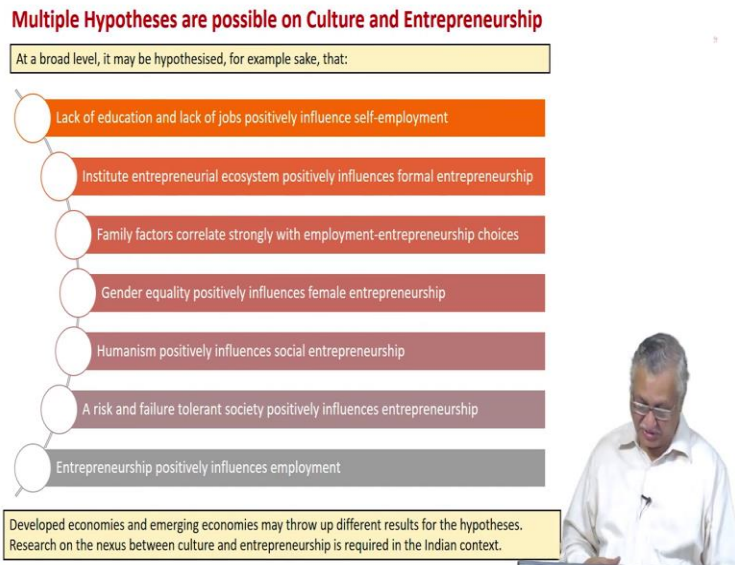
So, social collectivism in terms of how people in the society look at an individual who is employed vis-a-vis an individual who has set up his own business or who is set up his own entrepreneur company, that determines the cultural anchor of entrepreneurship in our country.

Then there is a normative compliance, the norms, the norms that have evolved over ages in a society they dictate a particular type of compliance of an individual to the system that is already there. Why do most people automatically go for school, why do most people want to get formally educated, why do people after some years of experience try to acquire another degree or go through certain evening classes, because these have been developed as normative principles of going ahead in life as per a particular system.

So, the normative compliance that exists in the society and in this case towards employment is an indicator and influence of entrepreneurial culture in the country. And finally, of course, we have about risk avoidance, that is the unwillingness to take risk, the inability to take risk, or the sheer incapacity to take risk, these are determinants of how entrepreneurially a nation is oriented. So, these 6 factors, pay for performance, work for security, family bonding, social collectivism, normative compliance and risk avoidance.

They are national factors of culture which have their own influence on the entrepreneurship and the entrepreneurial culture that exists in the nation. So, we do require creative and diligent approaches, so that we develop our own homogeneous national entrepreneurial culture.

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So, there are multiple hypotheses that can be formulated on culture and entrepreneurship. For example, we can think of the following 7 hypothesis. One hypothesis is that lack of education and lack of jobs positively influence self-employment. At one level, this may look to be counterintuitive, in the sense that how does one go on his own or her own enterprise development when the necessary skills are lacking or necessary education is lacking.

But the actual situation is that when you are left with no other option, you are forced to use whatever are the innate skills, whatever are the social skills that you have developed over a period of time to be able to set up your own business. Therefore, the first hypothesis is that you may not have education, you may not have good job position in the society, you may not have good job opportunities in this society, but they also positively influence self-employment.

The second hypothesis is that the entrepreneurial ecosystem that exists in an institute, of course, primarily the education institution, but it could be even the corporation where a person is working. The institute entrepreneurial ecosystem positively influences formal entrepreneurship.

So, if an education institution has got mainstream entrepreneurship courses, if it has an incubator, it has an accelerator, if it has got faculty actively participating in the entrepreneurial aspects, then the institutional entrepreneurship ecosystem would be so strongly developed, that it would positively correlate with an individual's formal entrepreneurship.

Similarly, in a corporation, if the company encourages the existing employees to pursue their own paths of entrepreneurship. If they are willing to, if the management's and leadership are willing to invest in creative ideas of employees, then that institute could be considered to be entrepreneurially oriented and such an entrepreneurial orientation positively influences formal entrepreneurship.

The third hypothesis is that family factors very strongly correlate with employment entrepreneurship choices, this we have discussed earlier. Gender equality positively influences female entrepreneurship. Even in the west, there is a history, there is research indicating that women entrepreneurship is not as strong as men entrepreneurship.

Therefore, in India if you want to have greater entrepreneurship, promoting gender diversity in entrepreneurship is as important as promoting equality in education as well as in formal employment.

Social entrepreneurship is one special type of entrepreneurship and we say social entrepreneurship, it means not only not for profit organizations but also entrepreneurial venture, which have a positive influence on society. For example, providing clean water, providing clean air, eliminating diseases, these are all socially relevant entrepreneurial ventures.

Therefore, the level of humanism that exists in individuals, the humanistic tendencies in this society, they positively influence social entrepreneurship. Another important hypothesis is that risk and failure tolerant society positively influences entrepreneurship.

And finally, entrepreneurship positively correlates and influences employment. For these 7 hypotheses developed economies, as well as emergent economies may throw up different results. And as far as India is concerned, we need to do much more research in these and other types of hypotheses so that we establish a good paradigm for not only entrepreneur culture, but also for institutionalizing entrepreneurial skills and capabilities in the society.

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The Canvas of Risk

While the rewards of entrepreneurship are seen through peer comparisons and overestimated, the risks are never understood in full, and much worse, often underestimated



The ability to perceptively identify and address risks is a key anchor in choppy entrepreneurial waters

What is the canvas of risk, throughout our course, we have considered risk and reward of entrepreneurship as two ends of a balance. And we felt that the entrepreneur should have the ability to overcome risk and the ability to manage the reward mechanisms in an appropriate calibrated manner.

Many times the rewards of entrepreneurship are seen through peer comparisons and tend to be overestimated because in a company which is wanting to get into E-commerce or an entrepreneur, who is setting up a B2C business or a B2B business sees the peers and overestimates this likeliest success of the entrepreneurial venture through peer comparisons.

So, the rewards are often overestimated and the risks are never understood in full, and much worse, often underestimated. We have looked at the personality of a typical entrepreneur and we also have said that there are certain things that an entrepreneurial psyche possesses that makes the entrepreneur ride roughshod over his or her own instincts and intuition in terms of the relative success or the failure of the entrepreneurial venture.

Therefore, the canvas of risk, you can see in terms of 4 quadrants, so let us look at an, the risk in terms of it being known risk, it being an unknown risk. Similarly, we can see the risk in terms of a recognized risk and unrecognized risk.

So, what is this difference between known and unknown as well as, recognized and unrecognized. Even if a risk is known, you may choose not to recognize it, that is where the bias in the human system and the human mind comes in. Whereas, there could be a risk, which is completely unknown and obviously it is unrecognized. But people may say that yes, there could be an unknown risk and be cognizant of such a risk getting developed. So, it is an, it is a kind of mind space which you keep waken to handle any types of unknown risks that could be emerging.

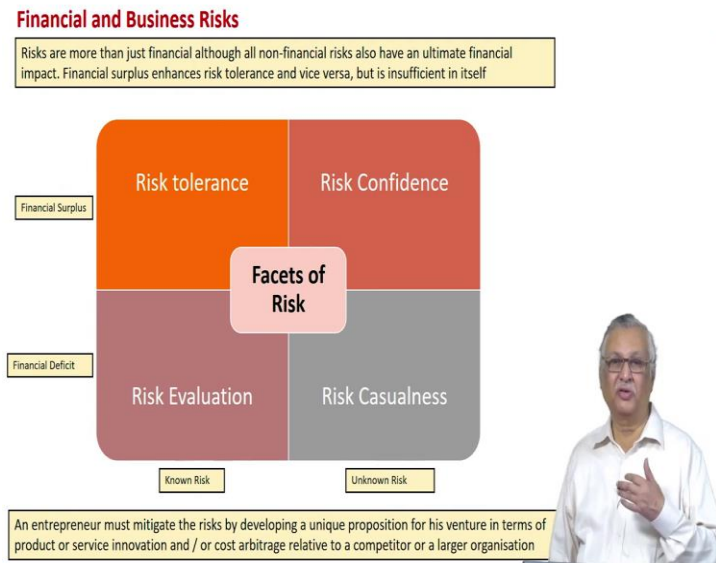
So, even when the risk is unknown, you may recognize that there could be certain unknown risks that could come up and therefore, we should be prepared for that. So, when you look at this ramification of risk, when you have a known risk, and you, when you do not have recognition of such a risk, it could be very much a pitfall or a booby trap.

On the other hand if you have a known risk, and you have sufficiently recognized it, it is an ideal situation for effective risk mitigation, because not only you have recognized the risk, which is known, but you are also prompted to address that risk, because it is a complete knowledge situation.

On the other hand, you have an unknown risk, but you recognize that there could be an unknown risk, there is a good potential that you would investigate for the likely unknown risks that could emerge and the potential ramifications. Therefore, you are in an investigative mode in evaluative mode, or you keep your instincts open for the kinds of risks that are unpredictable, but could nevertheless come about in future.

So, it is not a bad situation either, there could be unknown risks and if entrepreneur or the firm refuses to recognize that there could be unknown risk, that is the real danger zone for any enterprise, and more so for a start-up. So, the ability to perceptively identify and address risks is a key anchor in the choppy entrepreneurial waters that exists. So, this is a very important canvas of risk which plays out in an entrepreneurial setting.

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So, when we talk about the financial and business risks, many times we equate business risks to financial risk and vice versa, but not necessarily true.

Risks are more than just financial risks there are also several non-financial risks, which may have an ultimate financial impact, but they are risks in their own right, how you conduct a business may have certain financial impact directly. But if the business is not conducted on prudential lines, if the business is not conducted as per corporate governance, there could be a different kind of risk which impacts the firm.

Therefore, it is very important to understand both the financial risks and the business risks, recognizing that most of the business risks eventually translate themselves to financial risks. We should also recognize that if you have financial surplus, your ability to be tolerant towards risk increases.

Similarly, if your ability to manage risk is higher, you would have ability to manage and develop your financial resources well. But again, this is not a sufficient condition by itself, although it is a necessary condition. So, we have got again here 4 facets of risk, one facet of risk is known risk, other facet is unknown risk, like we have considered earlier. But you may have as an enterprise, a financial deficit or a financial surplus.

So, when you have a known risk and you are in a financial deficit, the enterprise must really look at the risk evaluation as the most important criterion before you embark on the entrepreneurial journey.

If you have unknown risk, and you also have financial deficit and you nevertheless go ahead with your financial decisions on setting up the enterprise and going forward, then you can only say that you are very casual towards risk, you do not understand what the risk is.

The third one is where you have known risk and you have financial surplus in your kitty, then the level of risk tolerance is directly proportional to the gap between the financial surplus that you have and the financial impact of the known risk, that is a risk tolerance.

Suppose you have unknown risk and you have at financial surplus, you will nevertheless have some kind of worry, but there is that much risk confidence that yes, I have got reserves that will protect me even if there are unknown entities having certain risk impact on me.

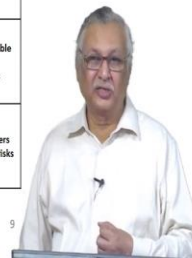
So, these is the 4 facets of this that could be there. So, an entrepreneur must mitigate the risk by developing a unique proposition for his venture in terms of product and, or service innovation and also, or cost arbitrage relative to a competitor or a larger organization.

So, the only way you can manage risk is to ensure that the product and service one offers has got the highest probability of success. The product or service one offers has got the highest level of competitiveness against the competitors. So, by managing risk in this manner, you would be able to address the financial and business risks in an entrepreneurial society.

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Entrepreneurial Risks and Mitigation Strategies

Risk Type	Risk	Mitigation
Financial Risks	<ul style="list-style-type: none">• Losing steady job• Losing regular pay• Sacrificing personal and family savings• Incurring personal debts	<ul style="list-style-type: none">• Plan out a forward looking funding strategy, linked to business model• Reserve 10 to 20% for emergency management
Business Risks	<ul style="list-style-type: none">• Betting on a central idea• Being insensitive to changes• Taking too long to develop	<ul style="list-style-type: none">• Rigorous ideation, prototyping, testing and validation• Timely course correction• Agile execution• Have Plan B product
Organisational Risks	<ul style="list-style-type: none">• Reliance on co-founders and employees• Belief in investors and partners	<ul style="list-style-type: none">• Work with the most competent and reliable people• Align expectations; incentivise outcomes
Behavioural Risks	<ul style="list-style-type: none">• Risk-averse family and social environment• Amplification due to environmental risks	<ul style="list-style-type: none">• Network with entrepreneurial stakeholders• Course-correct based on environmental risks



So, when we talk about entrepreneur risk and the mitigation strategies, as I said, there are 4 types of risks, financial risks and business risk that are supplemented by organizational risks and behavioral risk. And each of the risk has got certain mitigation strategy, for example, you are worried about losing a steady job and going on an entrepreneurial venture, which also means that you lose your regular pay, you will be sacrificing your personal and family savings, you will be incurring personal debts.

So, how do we mitigate that, one is look at a forward looking funding strategy. Be very clear, what does the prototype cost aspect which we have considered in the earlier session, how much time does it take to have a minimum viable product, and what kind of costs are involved in setting up a prototype for success. And also have a funding plan that has a cushion of 10 to 20 percent, so that even if there is an unknown risk, that is entering our entrepreneurial journey, we are in a position to mitigate.

Similarly, when we talk about business risk, the risk is that we are just focused on one central idea and one way of doing things. We may be insensitive to changes, the entrepreneur may take too long to develop the product or service which the entrepreneur has in mind.

So, how do we overcome the business risk? rigorous ideation, design thinking has been considered in one of the earlier sessions as the most important input to make sure that we are really solving the problem that the customer or the society has.

So, rigorous ideation, prototyping, testing and validation, timely course correction, what are the alternate pivots we have for product development, then we have agile execution and also have a plan B product. When we have these 4 mitigation strategies, even though we have business risk will be in a position to manage them, then the organization risks, these are no less important.

We have considered earlier how an organization that is entrepreneurially established and grown, needs to go, grow beyond founders and the co-founders. So, organization risks are well too much of reliance co-founders and employees, belief in investors and partners thinking that those who have invested will always be with the company and they will not exert any pressure.

So, the mitigation strategy for that is to work with the most competent and reliable people. Although in the initial years, the entrepreneurs, the founders and co-founders would manage the team. They should also surround themselves with competent professional leaders, so that when the business develops or when the time comes, they are in a position to take over the leadership.

Also, as far as the investors and support partners are concerned, we should be in a position to align the expectations, the investor expectations should not be too much valuation oriented while the product is let us say, socially oriented entrepreneurial product, so aligning expectations and incentivizing the outcomes that becomes very important.

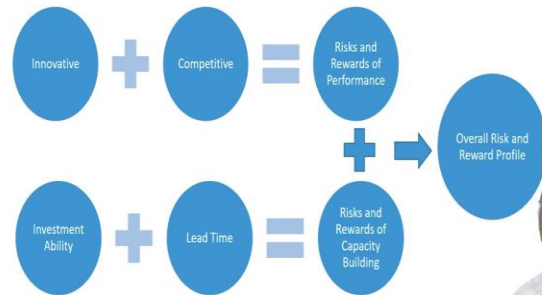
Then we also have the behavioral risk, the risk-averse family and social environment that an entrepreneur faces and the amplification that happens, when environmental risks are the cause of failures of certain other entrepreneurial firms.

So, we need to network with entrepreneurial stakeholders understand why other firms are failing, how and why our firm should be more stable and successful. And most importantly again, because entrepreneur needs to exist in an environment and he or she cannot create an entirely new environment. If environmental risks are there, we should course correct, and go on and move on with the development of the company.

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Factors Impacting the Risk-Reward Profiles

From adventure sport (say, mountaineering and scuba diving) to intellectual pursuit (say, academic research to medical treatment), and from dietary patterns (say, carbs vs. fats) and exercise routines (say, aerobic vs. anaerobic), risks accompany rewards in all human endeavours



Broader industrial development requires a holistic understanding of risk-reward profile of the endeavour and commensurate passion-competence profile of the founding and operating team



So, what are the factors impacting the risk reward profiles. Risk is a part of human endeavor, whether you think of sportsmanship or more challenging activities such as, mountaineering and scuba diving, whether you look at earning a PhD degree through intellectual pursuit, or undertaking medical treatment of a patient, there is risk involved in every activity, even the most seemingly easy intervention procedure, medical diagnostic procedure does carry some risk of fatality, for example, like angiogram.

It is very simple, thousands of angiograms are performed per month in a hospital, but the hospital does say that there is small risk, however small it is of certain uneventful surgery becoming necessary or certain eventful model diagnosis or eventful unanticipated occurrence happening.

Therefore, there is risk involved in every activity. Similarly, in dietary patterns themselves, there are risks, there are so many types of dietary patterns which are available and which have their own formulae for success and logic for success.

So, one may follow a particular dietary pattern and it may have its own impact because the body mechanism is never fully understood. Even an exercise routine would have its own risk, aerobic versus anaerobic. So, when that is the case, how can we say that setting up an enterprise will not have risk, sure they would have risk. And risk accompany rewards in all human endeavors and more so in entrepreneurial endeavors.

So, the way we do is that we need to be innovative, we need to be competitive. So, how innovative we are, and how competitive we are, that determines the risks and rewards of performance. What is the level of investment capability that we have, and what is the lead time that is required for the product to be made, that determines the risk and rewards of capacity building.

So, we are saying that there is a capacity building that happens, when you have an industry that is being set up. There is a reward of performance and also the risk of performance not being financially sustainable. So, when you look at capacity building as one facet of our performance, and actual performance as the other delivery aspect of the performance, you get the overall risk and reward profile of a, of an enterprise.

So, the broader industrial development requires a holistic understanding of the risk reward profile of the startup. And also understanding the passion competence profile of the founding and operating teams, to be able to be moderate when these rewards are seen and estimated, is one aspect of the entrepreneur profile. The ability to manage risk with guts and grit, is another aspect of the entrepreneur profile.

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National Culture Enabled Entrepreneurial Business Growth in Industrial History

A study of industrial history points out that each and every global corporation has had its roots in entrepreneurial activity; from Henry Ford's Ford Motor founded in 1903 in the US to Tata's Tata Steel founded in 1907 in India



While such initiatives by established firms lack the main ingredient of a typical entrepreneurial activity viz., personal risk-taking of a promoter, such growth initiatives do involve risks on other multiple dimensions, and contribute in an equal measure to accelerated industrial and economic development

So, when you look at industrial history, and see how each global corporation has become what it is today, you will see that each and every global corporation has had its roots in entrepreneurial activity, whether it is, whether it was Henry Ford's Ford Motor, founded in 1903 in US, or Tata's

Tata Steel, which was founded in 1907, almost in the same era. And Tata Steel had got even more challenges of setting up an industry in a colonially controlled India and Ford Motor, on the other hand, had the advantage of society which was set to grow.

Nevertheless, National culture enable entrepreneurial business growth in industrial history. So, if you see the first venture, it will always be nascent and growth will be the hallmark, the next venture gets support from the previous venture and it becomes more decisive. And finally, when the ventures expand and diversify, you have spread effect and you will have broader entrepreneurship.

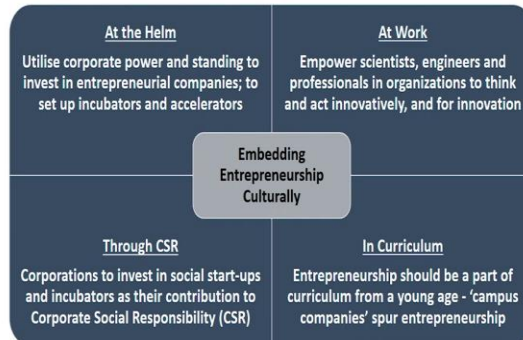
If from the Tata Steel enterprise, that was founded in 1907, Tata Group has become what it is a conglomerate of nearly 100 businesses, that is because entrepreneurship follows this 3-step process. One, the first ventures get set up as nascent growth oriented venture. The next venture that comes on the back of the venture becomes much more supported and much more decisive.

And finally, as more such ventures get set up, there is expansion and diversification which has got this spread effect and broader entrepreneurship. While such initiatives that is next venture and next to next venture, they may lack the characteristic of the first generation, first type, first time enterprise. Nevertheless, they are all entrepreneurially oriented activities, they may not have the personal risk taking ability of the promoter, but the company itself undertakes such activities with several risks and also in anticipation of rewards. Therefore, they also contribute in equal measure to accelerated industrial and economic development.

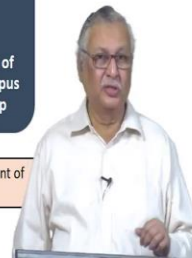
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Four Ways to Embed Entrepreneurship in National Culture

Educational and experiential domains offer great opportunities to embed entrepreneurship, be it through work or leadership or by learning. Corporate Social Responsibility (CSR) will also help embed entrepreneurship.



An individual, as a student, employee, leader and/or administrator can contribute to embedment of entrepreneurship in national culture



So, how do we embed entrepreneurship in national culture, there are four ways when we can do that. Because education and experience provide great opportunities to embed entrepreneurship in organizations it could be done by work, it could be done through leadership, it could be achieved through learning.

Similarly, corporate social responsibility also helps in embedding entrepreneurship in society. So, there are 4 aspects of embedding entrepreneurship one, the leader at the helm, leader at the helm has got the unique power, authority, responsibility, and the opportunity to utilize corporate power and standing to invest in entrepreneurial companies; to set up incubators and accelerators.

I am not proposing here that there would be a mindless investment in entrepreneurial ventures. Obviously, the investments have to meet certain criteria, the entrepreneur has to justify the enterprise and its motive aspiration. But once these aspects are met, the leaders have got a lot of resources and a lot of freedom to use the corporate power and financial wherewithal to set up and encourage entrepreneurial firms.

So, leadership has got a great responsibility and opportunity to institutionalize entrepreneurship in national culture. Second, at work, most of the entrepreneurial ventures are product oriented or service oriented using newer technologies, because you are trying to solve problems that are existing in the society and you are always in search of better methods of solving those problems, those methods could be products or services.

So, scientists, engineers, professionals who work in organizations in a creative manner, who have got those very special skill sets to invent new products and services, they are the ones who could embed entrepreneurship in national culture.

Therefore, we need to empower such classes of people to be entrepreneurial thinking and keep their entrepreneurship in the forefront of their developmental efforts.

The third one is through corporate social responsibility. Today the government recognizes that investments made for innovation, particularly through incubators and accelerators could also qualify for corporate social responsibility. CSR funds can be used for setting up socially relevant entrepreneurial enterprises.

Therefore, there is a way in which you can embed entrepreneurship through CSR, like setting up a clean water scheme in a remote village or setting up very helpful ecosystem for the girl child. So, social entrepreneurship can take lot of shapes and hues, and help us institutionalize entrepreneurship.

And as I mentioned earlier, curriculum itself is the basic pivot or the basic fertile ground for seeding entrepreneurship from the very early age. So, campus-based companies, campus-based entrepreneurship learning will ensure that there is an entrepreneurial culture in the nation. So, an individual, as a student, as an employee, as a leader, and as an administrator can contribute enormously to embodiment of entrepreneurship in national culture.