

# Chapter 24

## Entrepreneurship Policies for Knowledge Economies: Policy Aspects

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### ABSTRACT

*Excellence in the economy of the firm has, at all times, aroused curiosity and has been a most hunted area of dialogue for entrepreneurs. The diligent fostering of a candid habit of mind even in trifles is a matter of high moment both to character and opinions. This realism speaks of human behaviour that is only accountable for the betterment of the entrepreneurship. Therefore every entrepreneur looks for the available and favourable choices which do not generate adverse effects. Excellence in economy of the enterprise is only attainable in the course of good knowledge management practices. The purpose of this chapter is to understand how the economy of the enterprise could be fruitfully improved through entrepreneurship approach and establish its implementation. The chapter reports that right tools to information gathering, right interpretation to knowledge and appropriate entrepreneurship action are the essential dimensions for building economy of the enterprise.*

### INTRODUCTION

Diverse issues while conducting business keep sprouting owing to globalization and every enterprise, irrespective of its type, faces competition and challenge of continuous environment change. The combined impact of these challenges is so great that enterprise faces hardships to make survival while the weak firms factually wind up their businesses. The challenges evolved due to change in the external environment form a vicious circle that resists and in many cases prevents economic development. In continuously varying situation, businesses find it extremely risky to run if skills and competencies mismatch with the demanding environment. Diverse policies have, as a result, become operational in the contemporary world to resolve business challenges and accomplish sustainability. Two main issues, focused in this chapter, deal with the challenges of economy development are the entrepreneurship approach and the

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knowledge economy. Entrepreneurship, these days, is getting progressively more entwined with the global economy and is crucial as it develops capacity and strength to face elements of competition, openness to international trade and seek foreign direct investment, go for well functioning factor markets, secure property rights, and essentially transform knowledge and skills into growth and competitiveness. Unlike others, the entrepreneurship approach is exclusive since it has the capability to use multiple dimensions that are essential to build knowledge for developing economy. In most of the establishments, philosophy of the owner is unswervingly considered imperative to surge the economy of the enterprise. Working out the business process models by incessantly identifying and verifying the utility, viability and competitiveness, is the goal of forward looking entrepreneurs and such global knowledge is sought through IT and ITES modes, in this 21<sup>st</sup> century. Entrepreneurs help to create the future business and speed up the core business and they as well inspire talent and change cultures. They have an unrelenting focus on customers and the intuition to see threats to existing businesses and the conviction to change direction. As a result, achievement of the economy in an enterprise can be entirely brought about by the entrepreneurship approach. The foremost objective of the chapter is to study the issues and challenges evolved in the business while the other purpose is to understand definitions of diverse terminologies used in the domain. The next objective is to discuss solutions as to how the entrepreneurship approach could be successfully used to improve, survive and make growth using knowledge as the prime dimension of development. Findings, conclusion and limitations are then included to complete the chapter. With a view to make the chapter constructive, qualified reference material has been produced for the scholar-practitioners on the subject matter of knowledge economy.

## **BACKGROUND**

Industrial and business firms, in this era of globalization, face challenges (Gatignon et al, n.d.) owing to changes in technology and management in the arena of the manufacturing, marketing, finance and administration and particularly for managing the resources which poses hardships to develop economy of the enterprise. The entrepreneurship approach to knowledge economy is the suggested solution, on account of its ability and strength, to bring in sustainability and economic development of the enterprise.

In view of the aforesaid recommended approach, although four key terms are evolved (entrepreneurship, policy, knowledge, economy), two major questions in this work out need affirmation. The entrepreneurship approach (Cardon et al., 2009) is one which has the capability (Buttner, et al. 1993) to resolve challenges (Novogratz, 2008) of economy development and the other issue is that of knowledge economy which relies on gaining right knowledge, relating to economy development. The chapter, for that reason, makes propositions on the dimensional aspects evolved in these two major issues to bring out policy.

## **Concept**

Entrepreneurs persistently make observation of the challenges (infoentrepreneurs.org, 2009) and opportunities evolved in the external environment, analyze the situation, and use their knowledge, philosophy and judgment to make choices favourable for the enterprise and take action, to the best of their ability to create economy (Peters, 2009) and its development. For exploring knowledge, entrepreneurs employ IT resources from the globe to productively deal with the challenges which are evolved due to changes in

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