

Chapter 20

Entrepreneurship Readiness in Turkey: Profiles from Istanbul– Kayseri–Van Provinces

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ABSTRACT

The target group of the study is composed of the entrepreneurs having business in manufacturing and services in Istanbul (Marmara Region), Kayseri (Central Anatolia Region), and Van (Eastern Anatolia Region), Turkey. Istanbul is a first degree developed city, Kayseri is a second degree developed city, and Van is a fifth degree developed city. A questionnaire having three parts was developed to collect data for the study. The first part of the questionnaire was about the factors influencing the decisions of establishment of a new business, the second part was about the personality characteristics, and the third part was about the demographic features of the entrepreneurs. One-hundred-seventy-eight questionnaires were collected from the companies in the targeted regions, and their results are analyzed statistically.

INTRODUCTION

In the literature, many definitions of entrepreneurship can be found describing business processes. Entrepreneurship is first used in middle age and derived from the word “entreprenere” and means one who does business. Later, the definition is broadened to the new meanings. Early this century;

risk taking, pursuing opportunities, innovation and the process of running a business was added to the definition of entrepreneurship (Öztürk, 2008). The role and importance of public administration in improving the entrepreneurship in Turkey is a multi-dimensional subject interacting with various variables (Öktem, Aydın and Ekinci 2007), and one can observe that some provinces are better than others in terms of potentials and prospects. So,

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what can be done and how can be done to support entrepreneurship requires a good deal of analysis.

Entrepreneur is defined as the one who discovers, evaluates, and exploits opportunities for creating goods and services (Shane and Venkataraman, 2000).

The other three words derived from the 'entrepreneur' are 'entrepreneurship', 'entrepreneurial' and 'entrepreneurial processes'. These concepts are related with each other. Entrepreneurs are the one who undertakes the projects for the conception of entrepreneurship. Entrepreneurship is what entrepreneurs do. Entrepreneurial process is a continuous process which entrepreneur is in by creating new values as a result of new project (Wickham, 2001).

Entrepreneurship necessitates the presence of opportunities as well as enterprising individuals who wish to take advantage of them (Venkataraman, 1997). Shane and Venkataraman (2000) suggest that entrepreneurship involves the study of (a) the sources of opportunities, (b) the processes of discovery, (c) evaluation and taking advantage of the opportunities as well as (d) the group of individuals who discover, evaluate and exploit these opportunities.

Entrepreneurship is widely defined as a process by which individuals pursue opportunities without regard to the alienable resources they currently control (Hart et al., 1995). It may also be defined as a human activity aimed at a long-term economic and social prosperity of an enterprise, and at filling of market niches (Salka., 2006).

The entrepreneurial process is one in which the entrepreneurs acquire and develop resources, and where the new venture outcome is to a large extent determined by the nature of the resources the entrepreneurs are able to acquire (Arild, 2005).

In spite of the two major attempts in 1950s and 1980s to improve private sector contributions, most of Turkey's output is produced by state-owned companies in Turkey (Kozan et al., 2006). However, SMEs represent more than 99 percent of the total number of Turkish enterprises in the manufacturing sector and provide 76.7 percent

to the total employment. They contribute to 10 percent of exports and constitute 26.5 percent of investment and 38 percent of value added in Turkey (KOSGEB, 2005). Ozsoy, Oksoy, and Kozan (2001) found that Turkish small businesses have to rely on family sources rather than government loans or private institutions for financial support. The success of a small business depends on the initiatives of the individual entrepreneur to create a viable business. Therefore, discovering the factors that motivate the individual to go on entrepreneurial career becomes important in stimulating entrepreneurship.

Theoretical Framework

The literature reviewed on entrepreneurship research reflects the multifaceted nature of this subject. For years; researchers have attempted to capture the uniqueness of an entrepreneur. Research on entrepreneurship has been conducted by academics from a wide array of disciplines having diverse perspectives on defining entrepreneurs. Scholars researching entrepreneurship represent the disciplines of psychology, economics, anthropology, history, sociology and management (Dobransky, 2002).

According to Vesper (1980) this idea can be stated as the following: According to an economist, an entrepreneur is one who brings resources, labor, materials and other assets into combinations that make their value greater than before, and also one who introduces changes, innovations and a new order. According to a psychologist, such a person is typically driven by certain forces- need to obtain or attain something, to experiment, to accomplish or perhaps to escape authority of others. According to a businessman, an entrepreneur appears as a threat, an aggressive competitor, whereas to another businessman the same entrepreneur may be an ally, a source of supply, a customer, or someone good to invest in. The same person is seen by a capitalist philosopher as one who creates wealth for others as well, who finds better ways

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