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The effect of education and human resources management on entrepreneurship industry

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Abstract

In recent years the use of the term entrepreneurship entrepreneurial characteristics, barriers, opportunities, and many other fundamental concepts in this area, has increased considerably. Entrepreneurship is exploiting the opportunities for change and entrepreneur looking to change, respond to it and use it as an opportunity. Today, entrepreneurship development, to achieve wealth, welfare and employment in developing countries has become inevitable. The purpose of entrepreneurship education, training and development of creative and innovative people. Human Resources Specialist and requirements of each country's education system is an important goal. Today's development organizations, human resources depend on using the right entrepreneur. Entrepreneurship development programs without regard to human factors and human resource management systems will lead to failure. So the present article, the purpose of the education system and the role of human resource management in the industry is built entrepreneurial focus. Based on the concept of entrepreneurship, entrepreneurial types, policy entrepreneurship and entrepreneurship education and we need it, then objectives of entrepreneurship education is provided, The human resource management system and its relationship to history, entrepreneurship, human resource development, we are entrepreneurs; Finally, system performance evaluation, compensation and pay, opportunities and challenges and in the end we will summarize and conclude.

Keywords: education, human resource management, entrepreneurship industry

1. Introduction

Entrepreneurship should be a regarded a precondition for the new millennium. In entrepreneurial atmosphere it is a factor for growth, development, and also one of the effective parameters in observing ideal position of a society. This implies deep and wide impact in challenging postmodern era (2005, Ball). Entrepreneurship is a process that entrepreneur seeks to establish new business and companies and organizations with new ideas and creative and new opportunities and with mobilizing resources. This process involves risk, leading to a new product or service for the community (1991, Prokopenk & Pavlin).

Entrepreneurship in the past few years became a good social behavior, so that today the goal of many countries is to develop it as a social change. Entrepreneurship is the human factor. Policymakers believe that through education a high standard can be achieved and this goal is possible through entrepreneurship education. Entrepreneurship education is establishing and developing learning environment that promotes entrepreneurial characteristics and behaviors. Knowledge management theorists who have studied entrepreneurship believe entrepreneurs can be taught in the classroom (2000, Gibb). They identified, selected and employed human resources and defined objectives of the organization in order to achieve that (Saadat, 2011). In today's changing world, success is for communities and organizations that establish a meaningful relationship between organizational and human resources entrepreneurial and management capabilities. In other words, society and organization can move forward in development path and can equip organizational and human resources management system with generating entrepreneurship knowledge and skill by establishing necessary condition. According to what was stated entrepreneurship will be of great importance in the development of society. In this version first the concepts of entrepreneurship, types of entrepreneurship, policies to promote entrepreneurship and entrepreneurship education and need to be addressed will be presented. In this regard, the objectives of entrepreneurship education, human resources management system and the history of the relationship with entrepreneurship, and human resources development will be presented. In the end of the performance appraisal system, rewards, and opportunities and challenges of human resource development and entrepreneurship will be explained and finally summary and conclusions will be described.

2. Concept of entrepreneurship

Entrepreneurship was first applied by Joseph Schumpeter (1934). This economist who is called the father of entrepreneurship science, considered entrepreneurship the most important factor for economic growth and believed that entrepreneur is a thoughtful manager who establishes great opportunities along with risk-taking, intelligence, thought, and creativity. He is able to innovate, make a difference and provide profitability for a company which is in a state of bankruptcy (Modaresi, Modaresi, 2011). Since the late 70s in many developed countries due to a change in values and attitudes of society and demographic changes, a wave of small businesses and self-employed were created, so that this has caused issue of entrepreneurship to be addressed from many ways and by different scientific disciplines such as economics, management, sociology and psychology. Reviews on literature suggest that the term was first stated in economic theories by economists and then entered schools and theories of other scientific majors. The English applied three different terms on the job: adventurer, committed and employer. The following definitions are provided for various forms of entrepreneurship:

-Entrepreneurship is the process of new ideas and new process, taking advantage of existing opportunities based on knowledge, craft and related risk and compliance (Rahimi, 2001).

-Entrepreneurship is a factor that a collects variety of factors so that resource utilization and their activation will be possible in direction of productivity and national interests and also productive and creative enterprises can be established, which stimulate the growth and development (Hashemi, 2001).

-Entrepreneurship is a strategic and guiding force phenomenon. It is a long-term education process which needs planning education and research systems and enforcing plans from family, school to university and organization and leads to growth of economic activity cycle.

- Entrepreneurship is a process where entrepreneurs begin small and new businesses with their capital (1985, Drucker).

-Echoles & Neck. 1998 believed that entrepreneurship is the process which happen in environment and several sets by which some changes happen in the economic system through innovation of people who react to economic opportunity establishing personal and social value (1998, Echoles & Neck).

-According to Webster's collegiate dictionary definition, an entrepreneur is someone who is committed, organizes, manages and assumes the risks of an economic activity.

Schumpeter argues that entrepreneurship is the main driver of economic development and the role of the entrepreneur is to innovate and create new combinations of materials. Entrepreneurship is about identifying and exploiting opportunities for the creation and development of small firms (1985, Brockhaus & Horwitz). In total, entrepreneurship is the process of innovation and taking advantage of opportunities with effort and persistence, along with accepting financial, psychological and social risks, but it is done with the motivation of financial gain, achievement, self-fulfillment and independence (2002, Hellmann). Functional roles of entrepreneurship economics have been studied by scholars. Sociologists and psychologists reviewed social and cultural dimensions of environmental impacts on the individuals and their personal characteristics. Management scholars have described entrepreneurial management and entrepreneurial environment in organizations with a process approach.

3. Types of entrepreneurship

Entrepreneurship literature suggests that entrepreneurship is established in three fields:

A) Free and independent people in the organization (personal enterprise - independent entrepreneurs): Entrepreneurs typically start their work independently and very limitedly with a small number of employees that is called independent or personal entrepreneur. In early steps entrepreneur even may not have an employee (1998, Stoner et al). There are various motivations in people which make them work independently. One of them is the willing to independence which is the most important need of entrepreneur. He wants to do things in his own way, working for others is difficult for him, because he has always believed that the need to progress and job satisfaction are motivations that encourage persons to create an enterprise or an independent activity. Independent entrepreneur is a person who discoverers the opportunities, forecasts demands and copes with risks arising from fluctuations (Samad Aghaei, 2003).

(B) Organization staff (corporate entrepreneurs - entrepreneurs within the organization):

From the early 70`s, researchers have talked about the organization and independent entrepreneurs among them. But since 1985, Pinkat used words of Entrepreneurship and Intra to create Intrapreneurship, and then entrepreneurs within the organization were officially defied and entered intrapreneurship literature. Pink states entrepreneurship within the organization is a process by which an organizational entrepreneur leads to change. Cornwall and the Perelman believe that the entrepreneur is a process through which products, processes and new ideas in organization are enforced and developed. He says the entrepreneurial process within the organization is different with independent entrepreneurship process and the difference in the status of their environmental makes some advantages and drawbacks for each pose.

(C) Organization (the entrepreneur - entrepreneurship):

It implies risky business by entrepreneur organization which emphasizes entrepreneurship development as a place. Organizational entrepreneurship can be regarded as new and risky business in organization or may be noticed in a wider area as a challenge of organizations for renovating themselves by using new compounds of resources. Today they are trying to be entrepreneurs so that they can have flexibility against changes and not to lose opportunities available in market. They make effort to boost organizational entrepreneurship to increase productivity, avoid leaving the elite and to enhance their international competitiveness.

4. Entrepreneurship development policy

Entrepreneurship development policy is as follows:

- Promoting the entrepreneurial attitude in society - reducing the cost and complexity of the business - promotion of national culture in support of entrepreneurship as a career path - measuring and benchmarking entrepreneurship and national entrepreneurial - development of specific services to diverse groups of entrepreneurs - commercialization of research ideas and researches finished - expansion of

networks and associations supporting entrepreneurship - entrepreneurship development dimensions in all levels of the educational system - noticing institutions that promote entrepreneurship and finally development of business incubators.

5. Entrepreneurship education and its necessity

Entrepreneurship education refers to plans which boost awareness and knowledge related to entrepreneurship for job goals and provides some proficiencies to develop new business (Rasheed, 2000). Several studies from other scientists show that entrepreneurship can be taught and can be transferred through training. David McClelland, was among the first psychologists who assumed entrepreneurs need to succeed and design various training courses to boost such needs in individuals, as he received positive results from training these courses to Indian merchants. (Saeedi Mehrabad, Mehndi, 2008). Human resources methods related to staff training can be effective especially when the staff regard themselves entrepreneur. In cases when the staff have knowledge, proficiency and personality traits related to organizational entrepreneurship, directors will be tempted to employ or increase those with high level of knowledge and the staff will be excited to do favorable businesses. (Dehghan Dehnavi et al., 2011). Education of entrepreneurship has been mentioned seriously for many years and at present it has turned to one of the most important and widest activities. The Drucker believes any person who can decide, can learn to become entrepreneur. Although entrepreneurs are born with certain personality traits such as intelligence and high energy, these traits can be developed by training (Ahmadpour, 2006).

6. Entrepreneurship education goals

One of the important issues in the design of training courses is providing a clear definition of the objectives of entrepreneurship education and entrepreneurial training should follow one or several objectives which are as follows:

- Awareness and developing a culture and an entrepreneurial spirit - the transfer of technical knowledge and special skills of entrepreneurship - research in the field of entrepreneurship - business creation - creation of new companies based on technology - creating enterprises derived from universities and large firms and from another perspective objectives of entrepreneurship education are as follows:

- Reception changes and responding to them - motivating people to create jobs and new opportunities for business - using intuition as a management tool - preparing individuals to start and develop initiatives (2004, Lacobucci & Rosa).

Garavan explains entrepreneurship education goals as follows:

Identifying and preparing possible entrepreneurs for start or develop of knowledge and technology in risk business - making others able for adjusting business plans - focusing on subjects for enforcing entrepreneurship projects such as market research and competitor analysis, financial provision of entrepreneurship and labor and tax issues and developing independent behavior, risk - taking and bearing the responsibility. The aim of entrepreneurship education is the education of creative and innovative students. These courses seek to use the opportunities, risk-taking, willingness to solve problems and improving motivation and attitudes of people.

7. Human resources management system

New philosophy of human resource management, structure and organizing it in modern form all is the result of the interaction between a series of events and developments that started with the Industrial Revolution in England and has continued up to now (Saadat, 011). Formation and gradual growth of Human Resource Management dates back to ancient times. Some evidences from the formation of unions and organized labor strikes in Rom and Egypt was observed. Armterang (1993) introduced Human Resource Management as a comprehensive approach to strategic management of key resources, the

human resources. (1993, Armstrong). The following figure shows the components of human resource management.

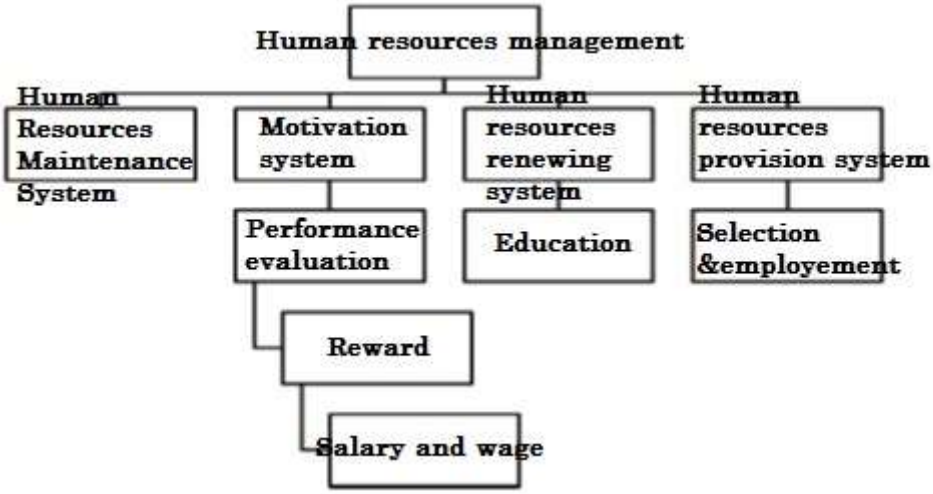


Figure 1. The components of human resources management system

8. History of the relationship between human resource management and entrepreneurship

Over the past three decades, the literature has been limited, but growing, which is formed empirically and examines the relationship between human resource management and corporate entrepreneurship. As organizations increasingly apply entrepreneurial and innovation-based strategies they need to identify the key drivers of human resources on these strategies. Corporate entrepreneurship is an important aspect in organization's performance and it is expected to be under the influence of human resource management systems (Shaemi et al., 2008).

9. Human Resource Development Entrepreneurs

By definition, Stewart and Mac Goldrick provided following definition for human resource development: Human resource development include activities and processes that impact on individual and organizational learning. In this expression it is assumed that organizations can be imagined in structural form with learning nature. It is the nature that has processes of organizational learning and individuals there have talent of permeability and direction through thoughtful interventions designed. Nadler as a prominent in human resources development theories in 1960 defined human resources development as an organized learning experience which is presented by employers in certain period in order to improve individual performance and growth.

Gilley & Egglan defined human resources development process as follows:

1. Developing people with a focus on improving performance related to individual job
2. Developing job path with a focus on improving performance of their future missions
3. Presenting corporate development leading to optimum usage of human potentials and improving human performance which leads to organization efficiency. 1992, Gilley & Egglan.

Understanding the importance of human resources and organization development is the most important factor for success and effectiveness of the organization, because the only sustainable competitive advantage of the organization is the people working in it. To promote the success and effectiveness of the organization, human capital and system need to be led toward supporting investment in human resources. The emphasis is on competitive advantages by creating learning organizations and scarce skills required by the labor market, competing with the human resources creative, thinking, quality and other social and economic developments which make the optimization system of human resources use mechanisms such as use of knowledge management for human resource development (Akhavan Sarraf, 2010).

10. Performance appraisal system and job, bonuses and payments

Performance evaluation system is another subsystem of human resources management system that can have an important role in the formation of entrepreneurial behavior. Performance evaluations is a process in the whole performance management and is defined as follows:
Evaluation of job performance of each individual, in order to make objective decisions for staff (Moghimi, 2004).
Incentive systems reward and payment are main principal sub-systems in human resources management system in organizations. Managing payment and bonuses systems to create an entrepreneurial environment, requires attention to four issues:
Good rewards - short-term and long-term perspectives - using a variety of rewards - and noticing principle of equality. Encourage and reward systems appropriate is the most important factor in entrepreneurship organization.
System of bonuses and payment in the entrepreneur organization has three main functions: hiring, motivating and guiding people and maintaining the organization's members.
A central and important problem is how to create a balance against internal and external entrepreneurial activities, while it supports exterior balance of absorbing and keeping employees. It notices internal equality, cooperation and exchange of knowledge. On one hand payments must play their role in establishing an entrepreneurial atmosphere and to motivate entrepreneurship partnerships and accept job risks more and need to prevent employee`s resignation.
This shows that the design of the payment system, should focus on the exterior equality by establishing a payment structure and creating special entrepreneurial behavior.

11. The opportunities and challenges of human resource development entrepreneur

Entrepreneurship education and research faced with several challenges, some of the challenges were presented by Black and Stamp:
- Challenges in developing research methodologies to measure the effectiveness of entrepreneurship
- Challenge content and entrepreneurship training
- Challenge in the quality of entrepreneurship teachers
- Challenge in acceptance of entrepreneurship education in colleges for business
- Challenge in the learning needs of entrepreneurs who are working in accordance with the business life cycle (Azarhoosh, 1998).
Opportunities in this area include:

- The desire for legality and impartiality in the exercise of public rights
- The desire to increase transparency and anti-corruption landscape orientation and pursuit of health practice

- Reception and improving culture of participation and partnership of conservation
- People-orientation and being sensitive to the needs and demands of society and the world
- Entrepreneurial activity and developing social space which is capable of generating and entrepreneur
- The desire to meritocracy through the process of meritocracy

12. Conclusion

In this paper, the concepts of entrepreneurship, types of entrepreneurship, policies to promote entrepreneurship and entrepreneurship education were addressed. Also, issues such as the objectives of entrepreneurship education, human resources management system and the history of its relationship with entrepreneurship, human resources development, entrepreneurship as well as the performance appraisal system, rewards, and opportunities and challenges of human resource development and entrepreneurship were explained. Entrepreneurship should be a precondition for the new millennium. Today, entrepreneurship is one of the indicators of development in developing countries. Entrepreneurship is the most important source of innovation, job creation and development. Opening the entrepreneurial spirit and education of entrepreneurs in society has an effect on economic growth and social. Education is the most important and it has a key role in the development of entrepreneurship. Human resource is the most important and most critical organizational resource. Development of entrepreneurs without human factor, makes human resources management system and the development of entrepreneurship lead to failure. The relationship between human resources management system (training, motivation, compensation, recruiting, payroll, maintenance and performance evaluation) and entrepreneurs clearly shows that more research is needed and future research should analyze the quality and quantity of the conditions under which human resources management system and entrepreneurial behavior interact.

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