

Entrepreneurship perceptions and the concept of world class manufacturing

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Abstract: Globalization and structural and strategic changes in organizations have created more turbulence in traditional waged work, suggesting that more and more people will be faced with redundancy, dismissal and unemployment during the course of their careers (Mallon, 1998). The high levels of unemployment have led policy makers to seek solutions, and one of the most promoted ones is entrepreneurship. Entrepreneurial activities are substantially different depending on the type of organization and creativity involved. Entrepreneurship ranges in scale from solo projects (even involving the entrepreneur only part-time) to major undertakings creating many job opportunities. WCM is crucial to competition, because the techniques and resources it combines can create new opportunities.

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Introduction

In recent years, the high competition among firms and the changes in the industry have forced companies to innovate constantly in order to compete successfully in markets (Huse et al., 2005). Currently, to be successful, firms must improve their flexibility, competitiveness, and reactivity (Carrier, 1996) as well as nurture entrepreneurship through their operations (Sathe, 2003). With the globalization of world economy, international entrepreneurship has become one of the most important research perspectives. The continued treatment of entrepreneurship as a separate area of study that is distinct from other broader domains (e.g., leadership and interpersonal influence) is questioned. Human creativity and productive entrepreneurship are needed to combine these inputs in profitable ways, and hence an institutional environment that encourages free entrepreneurship becomes the ultimate determinant of economic growth. Thus, the entrepreneur and entrepreneurship should take center stage in any effort to explain long-term economic development.

Entrepreneurship education programs provide students with various social interaction opportunities through which they can develop their entrepreneurial competencies in general and entrepreneurial leadership in particular (Peterman & Kennedy, 2003). The programs involve students in interaction with teachers and peers in group activities that improve their affection for entrepreneurial activities and strengthen their perceptions of their entrepreneurial

capabilities (Pittaway & Cope, 2007). International entrepreneurship was first introduced in 1988 by Morrow as a new growth opportunity for both new ventures and established firms. Early research on this field mainly focused on international new ventures or “born global” firms. McDougall (1989), who is a true pioneer in this field, focused on “the development of international new ventures or start-ups that, from inception, engage in international business, thus viewing their operating domain as international from the initial stages of firm’s operation”. A review of the literature on entrepreneurial learning indicates that the concept has been defined based on the acquired knowledge and skills in two stages of entrepreneurship process. First stage is pre-launching where individuals learn requisite knowledge and competencies for new venture creation and leadership (Erikson, 2003). The term “world class” was introduced by Hayes and Wheelwright (1984) to describe the capabilities which had been developed by Japanese and German companies in order to compete in export markets. Empirical studies in the literature have shown the positive impact of CE on organizational performance (Zahra et al., 1999). WCM is one of the broadest philosophies focusing primarily on production. It includes, for example, both JIT and TQM, and more structural changes such as new production technology (Schonberger, 1986). In his 1986 book, Schonberger (p. 1) mentioned WCM for the first time arguing that ‘. . . the term nicely captures the breadth and the essence of fundamental

changes taking place in larger industrial enterprises'. The WCM literature can be criticized for being atheoretical: published papers in the area are often descriptive and published in journals and books with a practical focus: the books of Maskell and Schonberger are good examples.

Entrepreneurship

Entrepreneurship is considered a veritable engine for the economic development of a country, a way of creating new jobs and national wealth. All the countries are concerned with developing entrepreneurship for different segments of the population, such as minorities, women, and disadvantaged groups, as a way of stimulating economical development. According to Miller (1983) CE can be defined as the activities that an organization undertakes to enhance its product-innovation, risk-taking, and proactive response to environmental forces. Entrepreneurship is a dominant factor in the economy; researchers have examined a number of factors that may explain entrepreneurial activity, though a good deal of recent research has tended to focus on the characteristics of the business and industry environment or the characteristics of the entrepreneurial opportunity itself. Entrepreneurship entails the discovery, evaluation, and utilization of future goods and services (Venkataraman, 1997). The act of entrepreneurship does not require the creation of a new firm. It also does not require a single individual to manage all of a firm's aspects over time (Eckhardt and Shane, 2003). As such, the unreliable linkages between individuals, firms, and environments mean that entrepreneurship begins with opportunities. Ethnic entrepreneurship has received much attention in the last few decades (for example Dana, 1997; Light and Bhachu, 2004) and scholars have sought to explore the intersection of minority, ethnicity migration gender and entrepreneurship (for example Bhachu, 1985; Dallalfar, 1994). Such entrepreneurial concepts refer to strategic entrepreneurship (Ireland et al., 2003), social entrepreneurship (Peredo and McLean, 2006; Weerawardena and Mort, 2006), sustainable entrepreneurship (Dean and McMullen, 2007), environmental – ecological entrepreneurship (Schaltegger and Peterson, 2001), intrapreneurship (Covin and Miles, 1999; Stevenson and Jarillo, 1990).

Strategic entrepreneurship

The intersection of entrepreneurship research (opportunity seeking) and strategic management research (advantage seeking) constitutes a new field of research called SE. It deals with the actions a firm undertakes in exploiting new innovations, which result from the firm's efforts to continuously explore opportunities (Ireland and Webb, 2007). SE involves

taking entrepreneurial actions with a strategic management orientation (Hitt et al., 2001). Both perspectives are necessary for value creation; neither is sufficient on its own (McGrath and MacMillan, 2000). Political entrepreneurship (PE) offers an intuitive interpretation of exceptional behavior but is burdened with conflicting and inconsistent definitions which ignore that PE would invariably be the composite outcome of a multitude of causes. Furthermore, there is lack of consideration for the success of agents due to random chance or indeed adequate attention to the causes of failure. Today Entrepreneurship education occupies an important place in providing an individual with entrepreneurship properties including entrepreneurs with self reliance, entrepreneurs focusing on consequences, entrepreneurs taking risks, leader entrepreneurs, original entrepreneurs and entrepreneurs focusing on the prospects (Güven, 2009). The nature of the entrepreneurial personality is also in debate: the internal determinants of the actual entrepreneurial behaviour are inherited or learned, with obvious consequences on education and social politics. The debate still goes on, some authors asserting the innate nature of the entrepreneurial personality (Fisher & Koch, 2008), while other authors are convinced that it is a product of learning, a "social construction" (Chell, 2008).

Knowledge for development and entrepreneurship

Harnessing knowledge for development has long been a key feature of development programmes, often accounting for the difference between poverty and wealth (Radwan and Pellegrini, 2010). Acs and Virgill (2010) contend that knowledge expansion results in productivity improvements within a firm, which creates it and other proximate firms, thus enabling economic growth. Concept of educational effectiveness can be defined rate of adapting researchers' behaviour with expectations, wills, objects, doing affairs correctly, skill rate, knowledge and attitude achieved in education effect (Barzegar, 2004). The growing international entrepreneurship literature which has primarily evolved within the "born global firm" literature assigns a prominent role to international entrepreneurship in the accelerated internationalisation of born global firms (Knight and Cavusgil, 1996; Madsen and Servais, 1997).

World class manufacturing

The term 'world class manufacturing' was first used by Hayes and Wheelwright in 1984. Since then, the concept has been embraced, expanded and enhanced by a number of authors, who have reinforced some of Hayes and Wheelwright's ideas, added some new practices and ignored others. In this paper, we

analyze the foundation provided by Hayes and Wheelwright's work, to determine whether it remains relevant in today's environment. There is no consistent definition of WCM (Maskell, 1991). Schonberger (1986) argued that it consists of changes in several areas such as 'management of quality, job classifications, labour relations, training, staff support, sourcing, supplier and customer relations, product design, plant organization, scheduling, inventory management, transport, handling, equipment selection, equipment maintenance, the product line, the accounting system, the role of the computer, automation and others'. World class manufacturing is, according to Jacobsen (1995), an umbrella term for a variety of forms of work organisation; managerial and manufacturing techniques; processes; and systems, each of which has as its underlying *raison d'être* a capacity for increasing the flexibility of an enterprise. World class manufacturing is generally considered to be existent where a number of such elements are combined to address an enterprise's need for flexibility, including considerations of technology, process and personnel. In Schonberger's (1986) view WCM leads to a strong emphasis on quality. The goal of zero defects is a result of the elimination of buffers such as inventories of semi-manufactured goods and work in process.

A lead for quantifying "world class" was given by the definition of lean production by Womack et al. (1990) which "uses less of everything – half the human effort in the factory, half the manufacturing space, half the investment in tools, half the engineering hours to develop a new product in half the time. Also, it requires keeping far less than half the inventory on site, results in many fewer defects, and produces a greater and ever growing variety of products". Schonberger (1986) provided a list of 16 principles of WCM which fall into eight categories: general, design, operations, human resources, quality and process improvement, information for operations and control, capacity, promotion and marketing. Schonberger actually asked managers to evaluate their own plants based on these 16 principles. He warned those plants that scored low on the 16 principles to identify their problems and make an effort to improve these practices to keep up with the competition. World class can be defined as a tool used to search for and allow a company to perform at a best-on-class level. It is useful to use the plant as the level of analysis because, although world-class manufacturing (WCM) is a strategic approach, many of its measurable improvements initiatives have occurred at the plant level (Flynn et al., 1989; Mackenzie, 1977).

Discussion

In the most general sense, entrepreneurship refers to the process through which newness is created. More specifically, the entrepreneurship process involves combining resources in novel ways (Aldrich & Waldinger, 1990), leading to newness in the form of innovative products or services, processes, administrative techniques, or structural manifestations which may, in turn, serve as a source of value. Some research has suggested that generally entrepreneurship as a theory is failing to provide continued economic growth in developed communities (Meager et al., 2003). Shane (2008) quite pointedly highlights a number of myths associated with entrepreneurship which misdirects entrepreneurs, investors and policy makers into believing that entrepreneurship is a panacea for revitalizing and stimulating economies. Broadly speaking, the evidence that entrepreneurship delivers economic value has at best been patchy (van Praag and Versloot, 2007). There is a widespread recognition that WCM is a necessary technique for the achievement of competitiveness. It combines a system of knowledge, techniques, experiences, skills, and organisational characteristics that are needed to produce, utilise and control output. WCM is crucial to competition, because the techniques and resources it combines can create new opportunities. The term world-class manufacturing is used more and more frequently in literature when referring to excellence in the manufacturing function. There is absolutely no doubt that manufacturing operations is one of the prime strategic functions of any business. Whether or not manufacturing operations achieve its strategic potential and contributes to the competitive position of a business, depends entirely on how it is managed.

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