How Entrepreneurs Influence the Success of the Developing Countries
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Abstract
The path of development is through change by innovation in any form, and innovation takes place by entrepreneurs. The main difference between the developing and developed countries is that in developed countries the situation for improvement and development in different sectors of the society is well defined organized and is systematic and they are based on the society needs, aim to solve the problems, but this condition is not well organized in the developing countries and most of the decisions are not practiced and freezes in action stage. There are three factors that if they are performed simultaneously and completely in every organization, we can call it developed organization. First, the rules and regulations based on the needs of the organization to solve the problems, second, a complete information system and technology in order that the authorities, and the people understand what exactly they should do, and the third is the general conscience of all members of organization. Based on the pareto’s law, 80 percent of any organization members have 20 percent role in successfulness of the organization and vice versa. Entrepreneurs have the main influence in the first two factors, in this paper these issues are studied in detail. What is a developed country? Who is an entrepreneur? What are the characteristics of the entrepreneurs? Why they have the main role in developing a country? How they can handle their duties? And who is responsible if succeed is not achieved in practice? These are the items which are considered and discussed in this paper.

Key words: Entrepreneurship, Developing Countries, Pareto’s Law

INTRODUCTION
An organization is a place where some people are gathered together to gain some common goals. In this paper we call the organization a society and a country, but in general the factors which are discussed and mentioned in this paper can be applied to any small, medium and large, private or public sectors of the society with any kind of activity.
The goals of different organizations can differ from one to another. But in general in spite of the diverse opinion among the people, gender, races, and the nations, the general goals are satisfying physical and spiritual needs. Entrepreneurs are the main member of every society who have some special characteristics that make them differ from the others. All the inventions in the history of mankind, new ideas and technologies, research and development activities, are part and parcel of the entrepreneur’s activities.

WHAT IS ENTREPRENEURSHIP?
Entrepreneurship is the practice of starting new identified opportunities. Entrepreneurship is often a difficult undertaking, as a vast majority of new businesses fail. Entrepreneurial activities are substantially different depending on the type of organization that is being studied. Entrepreneurship ranges in scale from solo projects to major undertakings creating to build the many job opportunities. In fact entrepreneurial ventures seek to raise business.
An entrepreneur is a person who is willing and able to convert a new idea or innovation into a successful practice. Entrepreneurship forces his/her creative ideas across markets and industries, simultaneously creating new products and business models. In this way, creative destruction is largely responsible for the dynamism of industries and long-run economic growth.
SOME CHARACTERISTICS OF THE ENTREPRENEURS

Following are some characteristics obtained by some research works:

- Collins and Moore (1970) studied 150 entrepreneurs and concluded that they are tough, pragmatic people driven by needs of independence and achievement. They seldom are willing to submit to authority.
- Bird (1992) sees entrepreneurs as mercurial, that is, prone to insights, brainstorming, deceptions, ingeniousness and resourcefulness. They are cunning, opportunistic, creative, and unsentimental.
- Cooper, Woo, & Dunkelberg (1988) argue that entrepreneurs exhibit extreme optimism in their decision-making processes. In a study of 2994 entrepreneurs they report that 81% indicate their personal odds of success as greater than 70% and a remarkable 33% seeing odds of success of 10 out of 10.
- Busenitz and Barney (1997) claim entrepreneurs are prone to overconfidence and overgeneralizations.
- Cole (1959) found there are four types of entrepreneur: the innovator, the calculating inventor, the over-optimistic promoter, and the organization builder. These types are not related to the personality but to the type of opportunity the entrepreneur faces.
- The entrepreneur has an enthusiastic vision, the driving force of an enterprise.
- The entrepreneur's vision is usually supported by an interlocked collection of specific ideas not available to the marketplace.
- The overall blueprint to realize the vision is clear; however, details may be incomplete, flexible, and evolving.
- The entrepreneur promotes the vision with enthusiastic passion.
- With persistence and determination, the entrepreneur develops strategies to change the vision into reality.
- The entrepreneur takes the initial responsibility to cause a vision to become a success.
- Entrepreneurs take prudent risks. They assess costs, market/customer needs and persuade others to join and help.
- An entrepreneur is usually a positive thinker and a decision maker.
- Entrepreneurs are resourceful and creative. They can create customers or buyers. This makes entrepreneurs different from ordinary businessmen who only perform traditional functions of management like planning, organization, and coordination.
- Discover new sources of materials. Entrepreneurs are never satisfied with traditional or existing sources of materials.
- Entrepreneurs have initiative and self-confidence in accumulating and mobilizing capital resources for new business or business expansion.
- Introduce new technologies, new industries and new products. Aside from being innovators and reasonable risk-takers, entrepreneurs take advantage of business opportunities, and transform these into profits. So, they introduce something new or something different.
- Such entrepreneurial spirit has greatly contributed to the modernization of the economy. Every year, there are new technologies and new products. All of these are intended to satisfy human needs in more convenient and pleasant way.
- Create employment. The biggest employer is the private business sector. Millions of jobs are provided by the factories, service industries, agricultural enterprises, and the numerous small-scale businesses.

ADVANTAGES OF ENTREPRENEURSHIP

Every successful entrepreneur brings about benefits not only for himself/herself but for the municipality, region or country as a whole. The benefits that can be derived from entrepreneurial activities are as follows:

1. Enormous personal financial gain
2. Self-employment, offering more job satisfaction and flexibility of the work force
3. Employment for others, often in better jobs
4. Development of more industries, especially in rural areas or regions disadvantaged by economic changes, for example due to globalization effects
5. Encouragement of the processing of local materials into finished goods for domestic consumption as well as for export
6. Income generation and increased economic growth
7. Healthy competition thus encourages higher quality products
8. More goods and services available
9. Development of new markets
10. Promotion of the use of modern technology in small-scale manufacturing to enhance higher productivity
11. Encouragement of more researches/studies and development of modern machines and equipment for domestic consumption
12. Development of entrepreneurial qualities and attitudes among potential entrepreneurs to bring about significance changes in the rural areas
13. Freedom from the dependency on the jobs offered by others
14. The ability to have great accomplishments
15. Reduction of the informal economy
16. Emigration

WHAT ARE THE CHARACTERISTICS OF THE DEVELOPED AND DEVELOPING COUNTRIES

Different sectors of every society have different needs, but we can divide it to physical and spiritual needs. All mankind regardless of the color, race, nationality, even age and level of living have these two needs. Different scientists have written too many books and there are a multiple number of theories about these issues. Maslow, states its pyramid needs, although Mary believes in the direction and strength of the needs. McGregor talks about theory X and Y and many others have said many issues about the motivation, goals and these aspects. I believe all of them can be organized in these two categories, physical (material) and spiritual needs. All religions and beliefs also are summarized in these two categories.

If the situation of a country is somehow that the majority of the people are satisfied completely of their condition we can call it a developed country. If all the population of a country is satisfied of their situation we can call it an ideal society.

The situation of the developing countries is somehow that the minority of the people are satisfied truly of their situation. We know that different sectors of the society have different needs. Based on the age, and believes. Social welfare, education, amusements, income and health, are some of the criteria. United nations have stated there are three factors which based on them ranking of the countries are identified as far as development is considered: 1- Gross National Product 2- level of education and 3- hope of life.

PARETO’S LAW IN SOCIETY

Pareto stated the 80-20 percent rule, he believes that 20% of the factors have 80% influences on the system, and it can be applied to different issues, it is shown in fig 1. For example 80% of the capital belongs to 20% of the population in the society. In our investigation it is said that 20 percent of the people of the society have 80 percent influences in the overall performance of the society. But the question is that who are these 20 percent and how they can influence in the society. Entrepreneurs are part of these 20 percent of the population and the educated and intellectuals form the rest who can run the society.

FACTORS AFFECTING SOCIETY PERFORMANCE

There are three factors for which are the fundamentals of every society. If these three factors are performed concurrently with the best possible way, we can claim that the society is a well developed one, and the goals that we mentioned earlier can be achieved:

1- rules and regulation
2- information system and technology
3- General conscience
Entrepreneurs are in charge of establishing and creation a situation so that the first two factors are performed in the best way, so they should be a part of legislations system. Although the legislators are elected logically by the people and the top managers of the society should introduce them, but the entrepreneurs should make known themselves to the society by their ideas and performance. Even if the best rules and regulations are presented in the society, but the people and the actuators are not aware of these, it cannot be performed ideally in practice. So the information technology should be established so that this part can be practiced well. The entrepreneurs are those who can suggest and select the best I.T. system, so that with optimum manner the people can be informed of the rules and regulations. Entrepreneurs can suggest the best manner of performing the issue. In fact they either can be the leaders or the consultants to solve any kind of problem arise in the society. The interference of these three items is illustrated in fig. 2.

Insert figure 2 here

The most important factor for obeying the rules is a progressive conscience and general culture of the people, but there can be some items in the rules that force the people to obey the rules. With the characteristics that are mentioned for entrepreneurs they can be the best ones that can manage and handle these issues in order to reach a developed country.

CONCLUSION AND SUGGESTIONS

The most important problem in developing countries is that, as the rule of the thumb that states “the right man on the right job” is not considered perfectly. Entrepreneurs who are the most valuable members of every society are not well known and are not in the right positions. The members of the legislation system and the key members of government are not occupied by entrepreneurs so the productivity of the society is low, decision makers are not properly selected or elected. Rules and regulation are the first factors which should be constructed based on the actual needs of the society to guide it toward a developed country. Sometimes the problem is not identified correctly. Information system and technology is the second factor for which internet and mass media have a significant role for informing the people of their rights. Finally general conscience of the population which may be the most difficult one is another factor which causes the people to obey the correct rules completely. Entrepreneurs have the main role in the first and second factors.

FURTHER RESEARCH

This article can be considered as a trouble shooting for investigation the problem of the societies, developed or developing countries. The case studies can be applied based on these findings and a comparison between different societies can be valuable. These comparisons can be applied to both the entrepreneurs and the factors or problems of the societies too.

REFERENCES


Fig. 1: Role of Pareto’s law in the society

Percent of population

Percent of effectiveness

On the organization

Fig. 2: Role of 3 important factors in developing the organization

General conscience
Information technology
Rules and regulations