

## THE ROLE OF STRATEGIC ENTREPRENEURSHIP IN EFFORT TO DEVELOP BUSINESS SOCIETY: A LITERATURE REVIEW

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### ABSTRACT

*Strategic Entrepreneurship has emerged as a new concept in convergence studies in entrepreneurship research (opportunity-seeking behavior) and strategic management (profit-seeking behavior). Research in the field of strategic management is gradually uncovering the relationship between strategic management and entrepreneurship. Developing an entrepreneurial strategy. intrapreneurship. Entrepreneurial strategic attitudes in organizations. Entrepreneurial orientation; integration of strategic management as a context for entrepreneurial activity. Entrepreneurship theory with strategic management and resource-based perspectives. Ireland et al. Conceptual models developed for strategic entrepreneurship suggest that firms engage in linear, sequential actions that include: Manage resources strategically to exploit opportunities. Leveraging creativity and innovation to create competitive advantage is a strategic and entrepreneurial activity. Managers must maximize results and exploit competitive advantages while maximizing new business opportunities to create sustainable shareholder value. In this article, we develop a conceptual framework that describes the role of strategic entrepreneurship in efforts to develop community businesses.*

**Keywords:** *Strategic Entrepreneurship, Management, business*

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## **INTRODUCTION**

In the middle changes in the dynamics of the global economy , the development of a business within the community, reflects the desire to strengthen the local economy through use of existing resources and encourage integration socio-economic. Business environment collaborative often very different from traditional business environments . Communities often face unique challenges, including limited access to capital, underdeveloped infrastructure , and high market uncertainty. In side other competition world business Now This very competitive so that it can continue to exist, especially so that it can grow and develop and more proceed so required something ability For understand various situation, understand There are various obstacles that exist, so in running a business you need knowledge and Skills in business management itself. Peter Drucker (1993) stated that the entire process of economic change ultimately depends from person Which cause emergence change the ie the “entrepreneur.” Most companies are growing and are innovative showing something soul (spirit) entrepreneur. Therefore, business actors are required to have a reliable business strategy to develop a business.

In this regard, understanding Strategic Entrepreneurship is an alternative that can be used in developing a business. Emphasis on building models by looking at the integral scope of concepts and gaining a deep understanding of their scope and interactions. On this side, the role of Strategic Entrepreneurship (SE) has emerged as a promising concept in efforts to develop community businesses . As stated by (Ireland et al., 2003) that Strategic Entrepreneurship (SE) is a pursuit behavior opportunity And chase profit in a way together in order improve business performance . Basically, Strategic Entrepreneurship (SE) combines elements of dynamic entrepreneurship with planned business strategy. Matter this includes not only the creation of new companies , but also the innovation of existing products, processes and business models . In addition, Strategic Entrepreneurship (SE) has create field study new, However understanding Which more Good about study This required For utilise opportunity study new Which offered (Kraus et al, 2011). Therefore, understanding Strategic Entrepreneurship (SE) in the initial stage, question whether (SE) is a framework, model, theory, paradigm, concept or a simple point of interface (Kraus et al, 2011; Schindehutte & Morris, 2009). However, models related to SE have emerged, including new models that need to be developed and the scope adopted in the proposed models so that they need to be analyzed in more detail (Ireland et al, 2003; Ireland & Webb 2007; Kyrgidou & Hughes, 2010; Shulman et al., 2011, Kraus et al., 2011).

The study on Strategic Entrepreneurship conducted by Hitt et al. (2001) which explores the integration of Strategic Entrepreneurship in several important organizational scopes to include external networks and alliances, organizational resources and learning, innovation and internationalization. His research tests both traditional (such as contingency theory and strategic fit ) and new theories (such as cultural entrepreneurship and business model drivers ). The study also combines, expands and tests theory and research from entrepreneurship and strategic management in new ways such as creative destruction discontinuities ), resource based view, organizational learning, network theory, transaction costs and institutional

theory. Based on the results of a study conducted by Hitt et al. (2001), Ireland et al. (2003), Kyrgidou and Hughes (2010), Shulman et al., (2011), Kraus et al., (2011), this paper aims to find the role of SE in efforts to develop business public.

## LITERATURE REVIEW

Study of *Strategic Entrepreneurship* covers various combinations of behavior *entrepreneurial* (focusing on opportunities) and behavior Which is strategic (creating strategic advantage) (Kyrgidou and Hughes (2010)). This concept, can seen as an extension from development of corporate strategy , so that produce a strategic model that combines strategy development with the ability to make quick decisions in a changing environment (Bird, 1988). Specifically, Mintzberg and Waters (1982) characterize development of *Entrepreneurship* strategies as a level of consideration and a clear vision of change . Bird (1988) strengthens the concept of vision in *Strategic Entrepreneurship* by equalizing the focus on time now with a vision of the future company. Temporary Therefore, Eisenhardt and Martin (2000) emphasize flexibility in the concept management disturbance change and proposed six fundamental processes that aim make *Entrepreneurship* as standard strategic practice. This process includes improvisation, adaptation joint, patching, reproduction, experiments, and settings time (Kyrgidou & Hughes, 2010).

six process framework stated by Eisenhardt and Martin (2000) is similar to the six process framework proposed by Ireland et al (2001) identify 4,444 field innovation, network (access to source Power), internationalization, learning organization (transfer knowledge And development source Power), growth And team management peak as well as system manage (strategy selection And implementation Which effective). Then Hitt et al. (2001) revised the scope for focus on the source Power, competence, and the ability to develop sustainable competitive advantage (SCA) when taking action entrepreneurship. With additional management components source power and capability dynamic, entrepreneurial model strategic now consists of eight components: introduction opportunity, innovation, reception risk, flexibility, vision, growth, management source Power, And capability dynamic. A research conducted by Ireland et al. (2003) focuses the SE variable on how behavior seeks opportunities and profits so that it can be integrated to create a balance between the two behaviors to achieve excellence. competitive Which sustainable, however Kyrgidou and Hughes (2010) present it as No considered. Therefore, Kyrgidou and Hughes (2010) refined and developed more continued practice model *Strategic Entrepreneurship* by entering stages main structural . However, to overcome the linearity problem, the company is clear need identify opportunities, manage resources strategically through collection source Power, *rebundling* , acquisition and divestment (Simons et al. , 2007).

## RESEARCH METHOD

This article uses literature review techniques to discuss the topic under study. Literature searches aim to solve problems in essence based on a critical and detailed study of relevant library materials. A literature review is a process of collecting data and information from various library sources which is needed as a basis for drawing conclusions from existing knowledge, as a source of ideas for exploring new thoughts and ideas, and as a basis for problem solving. The library sources examined in this article include: Books, research articles, journals and other scientific articles.

The following are the steps for preparing a literature review: (a) Identify sources of literature review material that are appropriate to this research topic. (b) Evaluate the content of literature research sources. This section can contain questions regarding basic assumptions and facts that are accepted as true without verification or qualification, especially certain aspects that form the framework for thinking. This analysis is needed to build a train of thought when solving a problem. (c) Summarize the contents of library research sources. (d) explore new thoughts and ideas on the topic being researched in order to determine the position of the concept as material for further research.

## RESULT AND DISCUSSION

### A. Entrepreneurship Concept

Entrepreneurs seen from various definitions, entrepreneurship experts explain that an entrepreneur is someone who creates a process which can increase wealth and value creation through development idea, combination of resources, and realization idea . Apart from that, entrepreneurship is also the process of doing something new and different with the aim of creating wealth for individuals and adding value to society (Kao, 1993). Meanwhile, the term entrepreneurship according to Peggy A. Lambing and Charles R. Cake (2003) entrepreneurship is action creative Which building a *value* from something that doesn't exist. *Entrepreneurship* is a process to capture and realize an opportunity regardless of existing resources, as well need courage to take a risk Which has been taken into account. Based on research by Nurseto (2004), creating new entrepreneurs is certainly not as easy turning the palm of the hand, because it turns out it is very difficult to find people with souls *entrepreneur* . *Entrepreneur* often interpreted as person Which take risk embed the money For discoveries new (*innovation*), whereas *entrepreneurship* emphasizes the entrepreneurial spirit (adjective). Schumpeter (1934), mentions *entrepreneur* as a person who; (1) introduce new products as a result creation/innovation, (2) creating new production methods, (3) finding new markets, (4) find material standard new, (5) find organization.

In this regard, *Entrepreneurship* is actually a theoretical field of study originate from the 18th century, when bankers Irishman Richard Cantillon (1755) used the term to differentiate between businessman independent and wage workers (Kraus et al., 2011). He is person first to combine *Entrepreneurship* and risk taking under conditions of uncertainty. Besides That, elements of innovation within Kraus et al (Schumpeter, 1993 [1934]). (2011) and proactive behavior is definition (Miller, 1983). Today, *Entrepreneurship* is generally looked up to as incentive for individuals to

create value through behavior entrepreneurship (Peng, 2001). This is considered as tools to resolve the situation new competition and rapid change (Brock & Evans, 1989; Hitt & Reed, 2000 in Kraus et al., 2011). Meanwhile, (Shane & Venkataraman, 2000; McCline et al., 2000) explain that *Entrepreneurship* is a process of creating value through identification and exploitation opportunities such as developing new products or finding new markets or both. Likewise, (Davidson et al., 2002) revealed that *Entrepreneurship* focuses on innovation with identification of market opportunities, which competitors have not yet identified or exploited and creation a unique set of resources to take advantage of those opportunities. *Entrepreneurial* opportunities emerge from uncertainty. The right set of resources is required to take advantage of *entrepreneurial opportunities* (Hitt et al, 2002). One of the main challenges for entrepreneurs is dealing with the strategic changes required by the growth of their companies (Thompson, 1999).

## B. Strategic Entrepreneurship

Meeting point study *entrepreneurship--opportunity seeking* and *strategic management--advantage seeking* is a new research field called SE (*Strategic Entrepreneurship*). This matter refers on that action taken by the company for taking advantage of opportunities (Ireland & Webb, 2007). SE covers activity entrepreneurship with a strategic management orientation (Hitt et al., 2001a; Ireland et al., 2003). Creation mark need both perspectives , However neither is enough (McGrath & MacMillan, 2000). Where entrepreneurship is understood as the identification and creation of new opportunities and strategic management is understood as the transformation of these opportunities become superiority competitive Which sustainability (Kuratko et al., 2005; Venkataraman and Sarasvathy, 2001; Zahra and Dess, 2001), entrepreneurial opportunities exploration can also be considered a strategic action aim For creating value (Ireland et al., 2003; Ramachandaran et al., 2006). Many authors emphasize the importance of organizational and strategic variables in study entrepreneurship, because of entrepreneurial behavior it is critical for companies to succeed in a competitive environment, regardless from the size or age of the company (Covin & Slevin, 1989; Zahra, 1993). ). By Because Therefore, there is no fundamental contradiction between "routine" strategic planning activities and "entrepreneurial" opportunity capture . Both fields management strategic and entrepreneurial often complement and support each other (Ireland et al., 2003). For example, research consistently finds that entrepreneurial firms utilize strategic management tools with more Good than conservative firms (Shuman et al., 1985; Bracker et al., 1988; Woo et al., 1989).

Therefore, Drucker, Peter (1984) state that entrepreneurship need management entrepreneurship among other practices And policy in in company And practice And policy in public. Matter This need strategy entrepreneurship. *Strategy First* that is "*Fustest with the Mostest*" considered as Wrong One strategy business moment This. Strategy This define "*Fustest with the Most*" as strategy for entrepreneur Which look for leadership. He will targeting industries new, although he No dominate market new. *Futest with the Most* Not yet Of course about build company big. However try For get position leadership permanent since beginning. "Work most Lots with Lots company" considered by Lots person as strategy business Which Good.

Strategy second, "*Ecological Niche*", target market or industry Which more small. Strategy "*Ecological Niche*", focus only on One objective, without want to

become competitive. No must striking For That. On the contrary, they must focus on process And only dominate One field in industry or company. There is three argument main Which support strategy "**Ecological Niche**" , Which everything different And own condition, limitations, And the risk each. (1) *Toll gate Strategy* . *Toll gate Strategy* offer something Which No owned by Lots company other And company other. Company other No interested For compete Because only company the Which capable sell something goods or product certain, And naturally with price Which affordable. (2) *Specialty Strategy* or strategy skills special. In strategy Skills special This, all person Possible know about something product Which There is in market, However only A little Which know Name company Which provide product the. For example, important For understand market And own skill For identify What Which it needs. Businessman Keep going increase his skills And become the more expert And expert. (3) *Specialty Market Strategy* or strategy market special. In strategy market special, businessman or company offer the product to buyer certain. They target special market.

The third strategy is "**Changing Values and Characteristics**" Strategy itself is innovation. Possible product or service it's been around for a long time. This strategy achieves matter This in four ways: (1) Creating value customer. Utility is related to the benefits of a product company. In other words utility is the capability of a product company (both goods and services) in providing benefits, advantages, or satisfaction with consumer. The more big the advantage then it gets bigger benefit public and the more popular the product or service is. But keep in mind the benefits is relative. It means is something that is useful, useful, or needed by somebody, but not necessarily by other people or parties . (2) Price. Almost all companies determine the price of their products based on production costs, labor costs , advertising, and adding a certain percentage in on it in order to gain profits from the entrepreneurial process. The price itself is wrong One element marketing which determines a company's income. Because determining the right price will create optimal demand in among consumers and partners business. By Because Therefore, it can be said that pricing is an important factor for companies to generate profits. (3) Customer reality. The digital world we live in today has change Lots area of life. Including the business world. The changes that occurred happened so quickly that often next time we finally follow suit. We are now entering a new reality. Marketing is closely related to awareness, and this awareness can created by new technology. In the digital era, social media has change internal communication patterns marketing in a way significant. In Here, consumers are becoming increasingly powerful thanks to new media . Technology allows customers to view and order virtually via device they Alone. (4) Provide value to customer. One of the most important parts of running a business is creating the best products. However Consumer satisfaction is also equally important. Therefore, in the world of marketing, You need know mark customer. Interest customer is a very important aspect important for business success. When running a business, success is not only measured by sales and profits generated from sales, but also value customer. If the product you offer has a very high utility value , of course many customers will be satisfied with the product. On the other hand , if value If product usability is low , customer satisfaction will be low and it is likely that customers will not buy the product being offered.

## CONCLUSION AND SUGGESTION

This paper discusses the role of *strategic entrepreneurship* in efforts to develop business public. *Strategic entrepreneurship* is an effort to provide an opportunity for entrepreneur in operate business they with Good. In practice, create Entrepreneurial spirit is not easy, innovation in entrepreneurship needs to be pursued to create new views as a reference in carrying out new business activities in era modern moment This. In the practical field, the *strategic entrepreneurship model* can help companies to position themselves better to face current environmental changes and develop a relatively *sustainable competitive advantage*. From several study results regarding the development of *strategic entrepreneurship models*, it can be concluded that *strategic entrepreneurship* has a very important role, especially in building competitive advantage and organizational performance. By understanding more deeply the scope of *strategic entrepreneurship* , it is hoped that we can increase knowledge about the concept of *Strategic Entrepreneurship* and find ideas for further research.

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