

ENTREPRENEURSHIP CAPITAL IN SMALL BUSINESS AND ECONOMIC GROWTH

HASAN ZIRAK SALAHADDIN

Faculty of business administration

University of Ishik

Iraq-Erbil- City

My Supervisor: Shlair Al-Zanganee

Abstract

Entrepreneurial capital in small business and its impact on economic growth has lately been subject to an extensive debate in the business and economic literature. This study attempts to investigate the effect going from small businesses entrepreneurial initiatives to levels of economic growth in Kurdistan's economy. A qualitative approach was employed in examine this effect. A random sampling method was used to represent the population of Kurdistan automobile trade sector. Primary data are collected via distributing a questionnaire that was developed upon ten entrepreneurial dimensions in some small business ventures that operate in the trade automobiles in Erbil such as in the Mercedes Benz, Scania and Mahle Company for trading automobile spare parts. Some auxiliary secondary data sets are also used in conducting research work. Secondary data sets are derived from recent academic articles, book and previous studies related to entrepreneurship capital in small business and economic growth. The study findings stress the importance of the wise management of entrepreneurial capital in small business start- ups to stimulate economic growth in Kurdistan whose dependence on private sector was lately increasing.

Key word: Entrepreneurship capital, small business , economic growth , Private sector organization.

1. Introduction of the research

According to Van Stel et al. (2005) reported that when the businessman or the owners of each organization private sector organization need to start to make a small business, for sure have type and kind of information regarding of the some details how will run the organization then making a evaluation for some kind of the important factors that affected in the end of results of the successful starting with evaluation explain the sectors of the policy in business in this country going to the how the culture will be common with that kind of the business, what is the policy and finance policy rule in this area are the situation is possible for starting of this kind of small business or not, how the markets in the relationships between vendors and customers contacting with human capital and who will supports this business man for that small business. the all above mechanism is entrepreneurship and the amounts will customize for this action of the business said capitals of the entrepreneurship.

After changing the technology in the globalization affected to the persons to thing about open the new own business in the instead of working of the other organization because of when the technology was developed and changed also the labour supply was changed to more demand and the results for the working in the small business as entrepreneurship capital was more clear and we can say the high level of the understanding shows and get it (Thurik, and Wennekers, 2004).

According to Ács and Audretsch (2010) reported that the entrepreneurship is the national advantage because of it has a common points between the roles of the entrepreneurship as a person and capital in the small business with the principles how to grow the economic when the discussing between economic growth and entrepreneurship have been the results is advantage result because of the small business will win in the end.

Discover in the attention related to phenomena in the 1980 and 1990 the recovery jobs by entrepreneurship to the small business was reorganized and the targets of the economy activity started to increase as levels than the large business and firms were born it. I am such as researcher believe that more effective and influence for that process was employment parts in the organization such as mentioned above if some employee in the small business want to be opening a new kind of the small business, this is great action for the economy growth such as

Apple company for producing mobile and devices they were started by one person owner then moved and developed a group of friend for working as small business then to the large firms

For sure all those steps positively effects to the economy growth the main changes of I phone company was changing in technology programs making icons instead of strong and stable programs (Bradshaw, 2013).

1.2 Research problem:-

The clever human in the history of the time worked and tried to find the solution programs in his/her lives. Most of the employees tried to have a small business by making an entrepreneurship capital, The owners of the small business try to find the solution for the problem how making a small his/her business to large firms. The research problem is to find how economy growth effects in the small business by entrepreneurship capital, with all the influence for entrepreneurship capitals situations inside the small business.

2. What's Entrepreneurship Capital?

According to Audretsch (2009) reported that Entrepreneurship Capital is this balance of amount selected especially for the small business and grow to the bigger than small business how? For example :It has a small shop in the non-main street because of the rent for that shops it's a cheap price and the other operation cost such as Electricity and Security and assurance for the material inside this shop is it not expensive ?opposite of that points this is street it's not the main street so the moving and walking for the customer it's a little bit the manager of the shop should decide to make extents (may be (Huge amount)for the advertising in the main street near than this shop ,in this cases managers or owners of that shop decide to change the location of that shop from narrow street and non-movement of customer and population street to the main street, for sure this decision for the action of this plan need the budget of the amount ,this is the Entrepreneurship Capital for that shop .

According to Balunywa (2009) the Entrepreneurship as unit of analysis of the rescue issue in different type of the effects that make a small business ,How and who will grow that business quickly by the successful way for example :How to change the production to the better

production by looking for the function with the key factors of raw materials which is included in the different line of the productions, labor, Capital, models of the production bases for explaining the economy growth .

2.1: Benefits of Entrepreneurship Capital in small business:

According to Churchill and Lewis (2007) said that of any small business growth should make some important actions to stay in the same level of the market and going to better ,I am Such as richer believe that this idea have relationship with the Benefits of Entrepreneurship Capitals and how do manage it and make professional administration's actions in small business

2.2: Development of small business by adding Value of Capital

According to Gibb (1997) The contract between Customer and responsible sections in the small business will decide how to grow the size of small business to the special and development business performance starting from the firm and making contact with the environment from the customer to be comfortable environment for customer and making persuade him/her to buy more and use more and making target and objectives for the directions to be all directions from the customer and users and populations to the X company for example by this way for right decision in the small business (X Company) can understand by acknowledgment by the realistic way not by imaginary way to find the main and thinking from the customers to customer needs ,making plan and strategy and marketing for this main issue ,by that right way the value of capitals in the small business will be increasing day by day ,then small business and organization can use this adding value of capital for making developments to developed small business taking subject matter the process and technology and strategy in all important sectors.

3. Research methods

A quantitative survey method was employed to collect data about the **entrepreneurship capital in small business and economic growth.**

. The research design consisted of the questionnaire was composed of two sections .

- ❖ The first section consisted of demographic questions, starting with asking about gender.

- ❖ The second section of the questionnaire consists of 10 factors, regarding the entrepreneurship capital in small business and economic growth.

3.1: Data collection procedure

The researcher gathered data for the study through distributing questionnaire as a primary data .The questionnaire is prepared and distributed to the owner and employee at Private sector organization.

Secondary data is need for conducting research work, which is done by collecting it from recent academic articles, book and previous studies related to most entrepreneurship capital in small business and economic growth.

3.2: Research sample

A random sampling method was adopted to collect data, where all the departments and employee in Private sector organization. Will have equal chance of being selected from the sample group . Two private companies involved in this study (MAHLE company for spare parts in Erbil city-Iraq, Sarder group For general trading Company in Erbil city -Iraq).

4. Result

To analyze data, both descriptive analysis (mean, standard deviation, frequency and levels) were employed to answer research questions two and three. In order to categorize data based on four levels of strongly agree, agree, Neutral, strongly disagree and disagree the following process has been utilized. **The highest value** in the questionnaires for the data analyses was Growth in the small business by entrepreneurship capital is one of the effects of economy growth =4.0900. **The second highest** value in the questionnaires for data analyses was corporate financial performance is going to parallel with the economy growth to start and develop a small business =3.9000. **The third highest** value in the questionnaires for data analyses was the financial crisis is one of the negative effects in the Entrepreneurship capital in small business=3.7400 and **The last highest** value question in the questionnaires for data analyses was the owner of the small business cannot make the investment by starting with entrepreneurship capital=2.6500 .

Research question 1: Does increasing the entrepreneurship capital effect to make active for the small business?

Research question 2: Does having the economic growth in the country make any turnover in the entrepreneurship capital the small business?

Research question 3: what will be after reorganize in the entrepreneurship capital in the small business?

Entrepreneurship capital in the small business to effective and adapted to the environment for more comfortable environment and making the job by groups in the organization , with taking the important by making the strategy and have been around of the managers vision and small business mission to been more activity and getting the goal and objective for the small business parallel with the economic growth ,the economic growth as I understand is contact with the fundamental sectors of the economic and finance sectors when this two kind are successful the economic growth wish vision as a booms in the important sectors , in the last I hope for my country the successful in the economic sectors and seen the economic growth with development and booms.

5. Disucssion and Conclusion:

After collecting the data and results of the chapter four and five , some of important points vision's from the researcher , regarding the increasing the entrepreneurship capital effect to make active for the small business yes the carve for the size of entrepreneurship capital make more active and effect in the circulation for the small business , also the professionals economic growth in the country give more turnover in the entrepreneurship capital the small business we can say that the strong economy make the small business to the big firm in the future , any kind of the reorganization in the entrepreneurship capital in the small business give the small business the step to growth and more Prosperity in this organization .

Regarding the value highest value was Growth in the small business by entrepreneurship capital is one of the effects of economy growth =4.0900. The second highest value was Corporate financial performance is going to parallel with the economy growth to start and develop a small business =3.9000. The third highest value was the financial crisis is one of the negative effects in the Entrepreneurship capital in small business=3.7400. The fourth value highest was The internal

and external environment have rules to change the Entrepreneurship capital to corporate Entrepreneurship=3.5300. The five value highest was the risks and sacrifices does such an enterprise demander=3.5200. The sixth value highest was every small business has its own story to tell about the development of systems and strategy =3.5000. The seven value highest was Entrepreneurship capital must be effective and adapted to the environment and groups in the organization =3.4200. The eight value highest was Leadership in the small business organization is the continual process and can start from strategy and necessary changes in management=3.4000. The nine value highest was A new small businesses strategy must around of the managers vision of where the organization is ongoing =3.1300. The teen value highest was the owner of the small business cannot make the investment by starting with entrepreneurship capital=2.6500.

References

- Ács, Z. J., & Audretsch, D. B. (2010). *Handbook on entrepreneurship research* Springer New York, NY.
- Audretsch, D. B. (2009). Entrepreneurship capital and economic growth. *INVESTIGACIONES REGIONALES-Journal of REGIONAL RESEARCH*, (15),pp. 27-45.
- Balunywa, W. (2009). Portfolio entrepreneurs and economic growth: The case of uganda.
- Bradshaw, J. (2013). The use of augmentative and alternative communication apps for the iPad, iPod and iPhone: An overview of recent developments. *Tizard Learning Disability Review*, 18(1), 31-37.
- Bhide, A. (1996). The questions every entrepreneur must answer. *Harvard Business Review*, 74(6), pp.120
- Botsman, R. (2013). The sharing economy lacks a shared definition. *Fast Company*, 21

Churchill, N. C., and Lewis, V. L. (2007) the five stages of small business growth. *Harvard Business Review*, 61(3), pp.30-50.

"INVEST - Questionnaire Survey" (2017) *Surveymonkey.com*. Accessed on 5 Apr. 2017. Available on : <<https://www.surveymonkey.com/r/33RVRPR>>

Gibb, A. A. (1997). Small firms' training and competitiveness. building upon the small business as a learning organisation. *International Small Business Journal*, 15(3), 13-29.

Lötter, C. (2014). The influence of organizational culture on the entrepreneurial capital of employees.

Lula, P., & Rojek, T.(2014). *Knowledge, economy, society: Contemporary tools of organizational resources management* Foundation of the Cracow University of Economics.

Mason, C., and Brown, R. (2014). Entrepreneurial ecosystems and growth oriented entrepreneurship. *Final Report to OECD, Paris*, , 1-38.

Salvatore, D. (2012). *Introduction to international economics* Wiley.

Social Entrepreneurship Questionnaire Survey" (2017) *Surveymonkey.com*.

Accessed on 05 Apr. 2017 .Available on : <<https://www.surveymonkey.com/r/SEQuestionnaire>>

Thurik, R., & Wennekers, S. (2004). Entrepreneurship, small business and economic growth. *Journal of Small Business and Enterprise Development*, 11(1), 140-149.

Van Stel, A., Carree, M., and Thurik, R. (2005). The effect of entrepreneurial activity on national economic growth. *Small Business Economics*, 24(3), 311-321.

Descriptive statistics

Summary of all questions

Descriptive Statistics

No		N	Minimum	Maximum	Mean	Std. Deviation
1.	Growth in the small business by entrepreneurship capital is one of the effects of economy growth.	100	1.00	5.00	4.0900	.80522
2.	Corporate financial performance is going to parallel with the economy growth to start and develop a small business.	100	1.00	5.00	3.9000	.85870
3.	The risks and sacrifices does such an enterprise demander	100	1.00	5.00	3.5200	.85847
4.	Entrepreneurship capital must be effective and adapted to the environment and groups in the organization.	100	1.00	5.00	3.4200	1.01683
5.	A new small businesses strategy must around of the managers vision of where the organization is ongoing	100	1.00	5.00	3.1300	.98119
6.	Leadership in the small business organization is the continual process and can start from strategy and necessary changes in management.	100	1.00	5.00	3.4000	.95346
7.	The owner of the small business cannot make the investment by starting with entrepreneurship capital.	100	1.00	5.00	2.6500	.88048
8.	The internal and external environment have rules to change the Entrepreneurship capital to corporate Entrepreneurship	100	1.00	5.00	3.5300	1.05844
9.	Every small business has its own story to tell about the development of systems and strategy.	100	1.00	5.00	3.5000	1.07778
10.	The financial crisis is one of the negative effects in the Entrepreneurship capital in small business	100	1.00	5.00	3.7400	.97047
	Valid N (listwise)	100				

Table (1): Summary of all questions