



Entrepreneurship versus Management: A Significant Difference

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Abstract

While it has become widely acknowledged that entrepreneurship is a vital force in the economies of developing countries, there is little misconception between entrepreneurship and management. The progressive interests to the field of entrepreneurship requires clarification for its sole entity. This paper clarifies the difference between entrepreneurship and management right from perspective definitions, identification and use of comparison factors, curricular differences in terms of degree, the needs for entrepreneurship in all sectors of economy and of course their similarities and correlation. The research also provides logical conclusion, affirming that entrepreneurship is not the same with management, along with some recommendations to portray the importance of the course – entrepreneurship.

Keywords: Entrepreneurship, Entrepreneur, Management

I. Introduction

In the recent time, many disciplinary courses were compelled to undergo entrepreneurship courses. This, in turn, necessitated the fundamental understanding, core values and practice of entrepreneurship as an entity. The Nigeria Government designed a well meaningful curriculum to be understudy by all undergraduates of her respective higher institutions of learning. This is not surprise, the prevailing economic situation requires dedicated effort in entrepreneurship to survive and grow. Nothing is wrong to have new businesses with innovative ideas in a country where unemployment

rate is high and intends to affect the living standard of her populace. It will also help to grow the country's financial and economic conditions. As such, the government promotes and supports the start-ups in all its possible way through various interventions and establishment of support organizations.

As the field is gaining attention across the globe, few individuals were having misconception about Entrepreneurship and Management. While some said Entrepreneurship is a segment of management, some considered it to be the same. To clear the doubt, Entrepreneurship originates from conceiving an idea and design ways to make those ideas a reality bearing the risk of business in an ever-changing environment. In contrast, management is an ongoing process of getting things done through others while making dynamic changes in the organization tailored towards achieving the goal without bearing the risk of ownership as obtainable entrepreneurship. Thus, an entrepreneur scans the environment, identifies business opportunity, harnesses the resources, implements the ideas through startup of the business with a view of satisfying customers and making profits thereof, whereas management runs that business with various administrative functions. Generally, Entrepreneurship implies building one's life on his or her terms without having someone over there telling them what to do when to do it and eventually, how to do it. It is all about deciding to take charge of destiny on your own without bosses.

This paper, therefore, tries to identifying some basic differences between entrepreneurship



and management. First, we intend presenting various author's definitions to prove the differences. We envisaged to bring out relationship and synergy between the subjects, identify numerous basis of comparison to establish the difference, dwell on the curricular difference in terms of academic degree and finally draw logical conclusion with recommendations.

II. Entrepreneurship and Management Concepts

2.1 Entrepreneurship and Entrepreneur: Concept Perspectives

The term "Entrepreneurship" is multidimensional in nature and difficult to define (Carree and Thurik, 2005). As such, it's viewed differently by different people. The word 'entrepreneur' is derived from the French word 'entreprendre' which means 'to undertake'. Originally, it was meant to designate an organizer of musical or other entertainments. However, at the onset of the 18th century, the word was used to refer to economic activities. According to Cantillon "An entrepreneur is a person who buys factor or services at certain prices with a view to selling it at uncertain prices to stabilize the market". Thus, to Cantillon an entrepreneur is a person who takes risk to open a business while entrepreneurship is starting a new business that the entrepreneurs have innovated, designed, and planned. It is a mindset of an individual and taking a particular approach to doing things. To many economists, entrepreneurship is similar to the individual's accomplishments in the field of business. However, when the business has developed, the collective responsibilities of the employee within the organization becomes critical for its success. Thus, entrepreneurship refers not

only to the design of a business idea, but also to the projection and maintenance of the organization so that the activity may continue to take place (Panda, 2011). Glory to the inventor of the term entrepreneur around year 1800, a French economist, Jean Baptiste Say; he considered the entrepreneur as a person who transfers resources from someone with a lower productivity to another with higher productivity and increased profit, thus creating value (Vlasceanu, 2010). Generally speaking, one of the problems in defining entrepreneurship is the fact that it entails a relation between two phenomena: the presence of lucrative opportunities and the presence of private entrepreneurs (Page and Ateljevic, 2009).

To Klein, entrepreneurship is the possibility to recognize profit opportunities (Klein, 2008). To this end, we consider the entrepreneurship as the ability of individual to recognize and explore the opportunity to his advantage and benefit of others. Thus, the recognition and evaluation of business opportunity represents the beginning of the entrepreneurial process (Baron and Henry, 2010). Remember, the actor in process remained entrepreneur and that is why the two term are used interchangeably. Therefore, an Entrepreneur is an economic agent who knows better all the means and their perfect combination that will be beneficial for the production. In the words of J.A. Schumpeter, "The entrepreneur in an advanced economy is an individual who introduces something new in the economy, a method of production that is not yet tested by experience in the branch of manufacture concerned, a product which consumers are not yet familiar with, a new source of raw material or of new markets and the like". Other definitions of scholars are summarized in Table 1:

Table 1: Author's Definitions of Entrepreneurship

Authors	Definitions
Cole (1968)	The entrepreneurship is an activity dedicated to initiation, maintenance and development of a profit-oriented business.
Drucker (1985)	The entrepreneurship is an innovation act who presupposes the endowment of the existing resources with the capacity of producing wealth.
Gartner (1985)	The entrepreneurship is the creation of new organizations.
Hisrich and Peters (1989)	The entrepreneurship is the process of creating something different, with value, by allotting the necessary time and effort, presupposing the taking of financial, social and physical risks, and obtaining monetary rewards and personal satisfaction.



Stevenson et al. (1989)	The entrepreneurship is following an opportunity irrespective of the existing resources
Kaish and Gilad (1991)	The entrepreneurship is first of all a discovery process and secondly is the process of acting on an opportunity of lack of balance.
Herron and Robinson (1993)	The entrepreneurship is a set of behaviours which initiate and manage the re-allocment of economic resources and whose purpose is the creation of value by these means.

Source: Misra and Kumar (2000).

2.2 Management Concept

Like many academic fields, Management is a word that is widely spread without precise and concise definition. There have been a lot of definitions to it in the past and present, each aiming for precision but none could completely define the scope and meaning of management. Eminent authors on this discipline have defined the term "management" differently based on their perception

and prevailing conditions as could be found in Table 2. According to Lawrence A Appley, "Management is the development of people and not the direction of things". Whereas Joseph Massie defines Management as the process by which a cooperative group directs action towards common goals". One popular definition is by Mary Parker Follett., who says, management is the "art of getting things done through people." Other definitions are summarized below:

Table 2: Author's Definitions of Management

Authors	Definitions
Taylor (1911)	The art of management has been defined, 'as knowing exactly what you want men to do, and then seeing that they do it in the best and cheapest way.'
Jones & George (2018)	Management, then, is the planning, organizing, leading, and controlling of human and other resources to achieve organizational goals efficiently and effectively." (Jones & George 2018, p. 5)
Robbins & Coulter (2005)	Management is coordinating work activities so that they are completed efficiently and effectively with and through other people."
Naylor (2004)	Management is the process of achieving organisational objectives, within a changing environment, by balancing efficiency, effectiveness and equity, obtaining the most from limited resources, and working with and through other people."
Dunham & Pierce (1989)	Management can be defined as the process of planning, organizing, directing, and controlling organizational resources (human, financial, physical, and informational) in the pursuit of organizational goals."
Schermerhorn (2005)	Management is the process of planning, organizing, leading, and controlling the use of resources to accomplish performance goals."
Montana & Charnov (2008)	Management is working with and through other people to accomplish the objectives of both the organization and its members."

Boris Kaehler& Jens Grunde (2019).

2.3 Summary of Definitions

From the opinion of Cole, entrepreneurship is an activity dedicated to initiation, maintenance and development of a profit-oriented business. It then means that, entrepreneurs are initiators and managing or operating existing business for someone. According to Schermerhorn, Management is the process of planning, organizing, leading, and

controlling the use of resources to accomplish performance goals. These performance goals are formulated by an entrepreneur which implies that management is entirely different from entrepreneurship. Also, in the word of John F. Mee, management is the art of securing maximum results so as to secure maximum prosperity and happiness for both employer and employee and give the public the best possible service. This definition suggests that the management is not the ownership of the



organization rather an information link or middle men between the owner (possibly an entrepreneur) and the workers. Contrary to that, Schumpeter defines entrepreneur as an individual who introduces something new in the economy, a method of production that is not yet tested by experience in the branch of manufacture concerned and a product which consumers are not yet familiar with. The entrepreneurship is the creation of new organizations (Gartner). Thus, entrepreneurs are originators rather than employees or middle men. Based on the definitions opined and published by various authors, it is evident to state that entrepreneurship is entirely different from management.

III. Entrepreneurship Vs Management: The Differences

As earlier said, Entrepreneurship is the process of scanning the environment, identify business opportunity, deployment of resources to create an organization for the hope of making profit and readiness to bear the risk. To be successful in business today, it requires upholding the ethics and practice of entrepreneurship. Also, to addressing and make use of the new opportunity, there's need to practicing creativity and innovation refer to the wings of entrepreneurship. Management, on the other hand, is the arts of getting things done through otherin an effective and efficient manner. So management is an individual or group of people that accept responsibilities to run the organization on behalf the owner (possibly entrepreneur). Management generally brings all theresources such as Men, Money, Machines, Materials, Methods, and Markets together to run the business and to achieve

the organizational objective. Other key differences between thesubject entrepreneurship and management are listed below:

- Entrepreneurship is the process of starting a business by taking a calculated risk in order to makeprofit, whereas management is the art of getting things done through it basic functions such as planning, organizing, directing, and controlling.
- While entrepreneur will get profit as reward of the business, management will be getting salary or wages for their work.
- Complete financial freedom of the business lies to the entrepreneur, while Management doesn't enjoy the complete financial freedom of the business.
- Entrepreneur's focus is on a new venture creation, while the management's focus is on managing the ongoing operation or organization.
- As the originator of the business, entrepreneurs have all the authorities in making decision which prevailed, whereas management does not have such decision-making authorities rather follow the order of an entrepreneur.
- While the entrepreneur's motivation lies on the growth of the business, management is motivated through optimum utilization of resources to accomplish the organizational goal.

3.1 Elements of Comparison

To simplifying and dwell more on the differences between entrepreneurship and management, the basic elements of comparison were identified and utilized in the table 3 for ease of understanding and acceptability

Table 3: Comparison between Entrepreneurship and Management

The Basis of Comparison	Entrepreneurship	Management
Meaning	Known as process of creating a business by bearing the risk in the hope of profit.	Known as the process of getting things done through people in an effective manner
Function	To initiate a new business or venture creation	To look after an established or ongoing operation.
Ownership	The Owner	The Employee
Remuneration	Unlimited profit	Basic salary
Risk	Bear all the risk involved	Does not accept any risk of the business.
Goal	Entrepreneurs are responsible for goal setting.	Management implies the goal set by the entrepreneur.
Decision Making	Meant to take decision of the business.	Make a decision only after collecting detailed information and reaching an



Fraud

As the owner entrepreneur is not A manager may likely involve in getting involved in fraudulent act. fraudulent act.

Innovation

Is the originator

operative conclusion.

Is the executor

3.2 Summary of Comparison

With all the elements of comparison put in place by this research, it is clear to say that the two subjects are different. While the entrepreneurship was known as process of creating a business by bearing the risk in the hope of making profit, management was known as the process of getting things done through people in an effective manner. This implies that the activity of entrepreneur precedes that of management. In terms of innovation, entrepreneurs are regarded as the originator while management are executor of the plan designed by an entrepreneur. As the owner of the business, entrepreneurs' remuneration is unlimited profit while the management received a fixed rate of salary for a particular cadre. Since entrepreneurs are regarded as decision maker, managements are known for the implementation of the decision made by the business owner. All these informations show a clear difference.

IV. CURRICULAR DIFFERENCES

Of course, one of the fundamental weapons to clear the notion of weather business management and entrepreneurship are the same or not is the recognition of the major courses in the curriculum for both disciplines. The coursework required for both degrees are part. Studying a conventional business course, like business administration or business management, the recipient intends developing skills in a circle of business applications. However, entrepreneurship is a more specialized path, developing skills of starting a new business.

Although, both business management and entrepreneurship majors are expected to complete fundamental core courses so as to learn the foundation of business. For majors in business, courses like organizational behavior, management of risk and international business are commonly undergone. Therefore, Business management degree program dwells more on management theory, along with administration program. To a recipient of entrepreneurship program, the focus is streamlined and the coursework is more specialized to provides skills necessary for spotting opportunity, harnessing the resources to the stage of launching, managing and growing a new business.

4.1 Business Degree

The generality of business degree afforded the recipients to learn fundamental skills and concepts of business management. This degree covers a wide variety of topics about business including, business policy, organizational behavior, human resource management, finance, marketing, law, human capital development, business management etc. These programs also inculcate leadership skills, business plan presentation skills, communication skills, critical thinking skills, research skills and other essential traits needed to succeed in the world of modern business.

4.2 Entrepreneurship Degree

Creativity and innovation are the bedrocks of this degree program. In fact, entrepreneurship degree can also be called creative degree. It focuses majorly on the fundamental skills required to generate business ideas, writing a modern and explorable business plan, startup of business, seeking risk in an environment where changes are like norms etc. Market survey, SWOT analysis procedures, means of finance, product/service concept, registration of business, business environment are also areas cover by this degree program.

V. Synergy and Similarities

In developing countries, however, the concept of owner-manager seems more related to entrepreneurship culture as the entrepreneur remains attached to the daily operations of the business. In some instances, managers are expected to play entrepreneurial roles when need arise, likewise the entrepreneurs must also show managerial skills for the success of their business. Thus, these two subjects have synergy in the context of business.

From the conception of idea to the launching of business, you are an entrepreneur who has a vision to identify and explore opportunities with all risks attached. However, you may not be sufficient to sustain the market turbulent for a long time. As the business grows, demands change. Those irregular working hours, various committee meetings, verbal commands take a different shape. Thus, management becomes a need to manage the growing enterprise needs. Entrepreneurship and management are both concerned with business growth. Some of the elements of similarities includes:



- **Quick in Decision Making:** A manager, just like an entrepreneur needs to be a quick and effective decision maker at their respective levels of operations.
- **People oriented:** Both the manager and the business owner need to be good with employees. This is necessary to convince people to work with them. Aside, it helps ensure that peace and order are maintained within the business organization
- **Confidence:** Just as obtainable with entrepreneur, to be effective as a manager, a person needs to conduct himself with high level of confidence.

VI. Needs for Entrepreneurship

Asking whether there is a need for entrepreneurship in a country like Nigeria, endowed with abundant human and natural resources is like asking whether you need air to survive. The respond is just that we cannot do without it! Entrepreneurs are an essential driver in the economy

Entrepreneurship is the process of creating a business and scaling it to generate more profit. Today, Entrepreneurship is what people do to take their destinies and goals into their hands without answerable to any boss.

Entrepreneurs create employment generation through their business and reduce the poverty rate in the country. The field of entrepreneurship prepares all the recipients to be self-reliance and ready to give back to the society.

Another need for entrepreneurship in the country is that it helps to develop and nurture talent potential in the country. It also increases the country's gross domestic product and living standard of her populace.

VII. Conclusion and Recommendations

After analysis made therein, it is clear that Entrepreneurship and management are two different terms of use in business. This paper has acknowledged that there are key differences between entrepreneurship and management. Management is concerned with the management of the current operation with available resources. The entrepreneur focuses on the new venture and capitalizing on new opportunities. While an entrepreneur is the owner of the business and takes all the risk of the business and procures the resources required to start and run the business, a manager takes care of managing and allocating these resources to various uses and making sure that work is being done with efficiency and effectiveness.

Although the healthy popularity enjoyed by entrepreneurship today cannot be compared with business degree which remains one of the most popular degree choices for any student of social science who wants to enter the business world. Only Few schools in Nigeria are known presently to be offering the degree in entrepreneurship. This is one of the significant factors militating against the choice of this noble career. Thus, the paper recommends as follow:

1. Diploma or degree in entrepreneurship should be considered and approved for all tertiary institutions of learning.
2. Effort should be made to establish Institute of Entrepreneurship with various departments ranging from Creativity, Business Development, Networking to the Innovation.
3. Funds should be made available for the establishment and running of vibrant Entrepreneurship Development Centre to facilitate the achievement of entrepreneurship goals
4. The spirit of entrepreneurship should be inculcated to the secondary school leavers to prepare them ahead of main programs in the tertiary institutions
5. Governments should continue to promote new businesses in the economy since it directly affects her revenue generation.
6. Potential entrepreneurs should be supported financially and reduce registration bureaucratic.

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