



# Analysis of The Phenomenon of Entrepreneurship: a Multidisciplinary Approach

## Análise dos Fenómenos de Empreendedorismo: a Abordagem Interdisciplinária

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#### ABSTRACT:

Subject of the research is entrepreneurial activity as a socio-psychological phenomenon. Purpose of the article is the formation of the concept of entrepreneurial activity as a phenomenon in modern society. Methodological framework of the study is the concept of foreign and domestic authors on entrepreneurship. Problem is due to the orientation of existing approaches to the external manifestations of entrepreneurial activity, without taking into account the internal incentive aspects of the entrepreneurial subject.

**Keywords:** phenomenon, entrepreneur, entrepreneurial activity

#### RESUMEN:

Este artículo refiere o problema das abordagens metodológicas ao estudo do empreendedorismo. O tema da investigação é a atividade empreendedora como fenómeno socio-psicológico. O objetivo do artigo é a formação do conceito de empreendedorismo como fenómeno nas condições da sociedade moderna. A base metodológica do estudo esta baseado em conceito de autores estrangeiros e nacionais sobre empreendedorismo. O problema é determinado pela orientação das abordagens existentes em relação às manifestações externas da atividade empreendedora, sem ter em consideração os aspetos internos de incentivo do sujeito empreendedor.

**Palabras clave:** fenómeno, empreendedor, atividade empreendedora

## 1. Introduction

The relevance of the study is due to the fact that modern business activity in Russia is clearly gaining phenomenological features. This is manifested in the fact that, on the one hand, the social prestige and economic feasibility of entrepreneurial activity are reduced, and on the other hand, the social attractiveness of this type of activity remains unchanged. This is evidenced by the fact that approximately the same part of the population has been

engaged in this type of activity for 5 years.

We turned to the works of the predecessors for the interpretation of this phenomenon because entrepreneurship as a socio-cultural and philosophical phenomenon has attracted the attention of scientists for a long period. However, in Russian conditions natural (historical) character of the development of this phenomenon was violated. Despite the long period of restoration of entrepreneurship, the society has not yet formulated a clear attitude to this phenomenon. On this basis, we believe that the issue of the peculiarities of Russian entrepreneurship as an economic phenomenon has not been studied enough. We consider this statement as the main problem of the research. The hypothesis in this case is the fact that by fully understanding the phenomenon of entrepreneurship, it will be possible to more effectively support individuals who show social activity in this field.

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## **2. Methodology**

We used the methodology of theoretical and comparative analysis to conduct such a study and to identify various aspects of the problem of entrepreneurship. The method of induction was used to develop the author's concept. It should be noted that most of the authors consider the theory of value-added as the basis of entrepreneurship, and, accordingly, the associated Marxism. As a counterweight, we believe that this process should be considered from the standpoint of classical phenomenology. In practical terms, we conducted a terminological analysis of the definitions of "entrepreneurship" and analyzed these definitions from the standpoint of the phenomenological approaches of Edmund Husserl and Franz Brentano. Phenomenological approach in this case is justified because entrepreneurship is an activity based on the internal experience (psychological characteristics), according to the philosophy of Brentano is available for observation. It is the experience realized by the entrepreneur himself that can be the object of observation. At the same time, Husserl's philosophy has the concept of "phenomenological reduction" (phenomenological and psychological reduction), which makes it possible to study the essence of the business process from the standpoint of phenomenology.

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## **3. Analysis of the literature**

Considering the discussion of this problem in the scientific literature of this direction, it should be noted that the features of the entrepreneur's personality are associated with a complex combination of a certain set of social characteristics. Thus, in particular, O. Gelikh notes that personality characteristics of the entrepreneur are associated with the ability to risk and selection of innovative ideas, with the ability to identify the prospects of its implementation from the point of view of economic and social success definitely made in unity. The last point is very important [2].

In fact, the entrepreneur's focus on risk was noted by the English economist and banker Richard Cantillon, who gave one of the first holistic characteristics of the concepts of "entrepreneur" and "entrepreneurship". Author believed that entrepreneurship is a production and economic activity with elements of risk and uncertainty [1, c. 51]. However, turning to the philosophy of Brentano, we can assume the fact that the entrepreneur simply assesses the risk differently. So, from the point of view of Brentano, in the external experience, there is a distinction between the phenomena and the fact that they correspond to reality [3]. In other words, not a fact, from the point of view of phenomenology, an entrepreneurial risk is an objective phenomenon, which, depending on external experience, may have different estimates. For example, an entrepreneur (successful entrepreneur) can assess risk more realistically and therefore avoid it more successfully.

A similar, but detailed, definition of entrepreneurship was given by the French representative of the classical school of political economy Jean-Baptiste Say (1767-1832), who believed that an entrepreneur can be a farmer, a manufacturer or a merchant – a person who undertakes to produce some product at his own risk, at his own expense and in his favor. An entrepreneur will also be a person who is confident that it is not difficult to produce something, but it is difficult to sell [4, c. 34]. The last thesis also points to the phenomenological nature of entrepreneurship. J. B. Say characterized a typical entrepreneur

as a wealthy man, known for his intelligence and prudence, committed to order and honesty, able to properly settle their scores and calculate the cost of production relative to the value of their product in the sale process. In his opinion, due to these properties, an entrepreneur can obtain capital, which he initially does not have [4, c. 34].

F. Brentano noted that the common feature for all mental phenomena is that they are perceived exclusively in the internal consciousness, while physical phenomena are given only in the external perception [3, 35]. Domestic philosophers, raising the question of the possibility of the existence of mental phenomena outside the internal experience, noted that Brentano claimed the main quality of mental phenomena is their intention for something else that is outside them [5]. In other words, the entrepreneur is not necessarily focused on a material object (money, new goods). It is possible to focus on values that are not directly related to production (commercial) activities. A. Ignatov partially confirms this, speaking about a special characteristic of our consciousness - the ability to reflect on what has not existed at all and will not exist in reality. In the development of the last thesis, it is possible to give the idea of the author, who argued that mental phenomena are often several at the same time, physical phenomena are never more than one at a time [3, p.40].

English economist, the founder of Neoclassicism in economic science, Alfred Marshall (1842-1924) expressed the key requirements that an entrepreneur must meet, and which have not lost their significance to the present. Firstly, an entrepreneur must be able to foresee the main trends in the development of production in the industry in which he works. Secondly, have the ability to sound judgment and bold risk. Thirdly, sort out materials and raw materials used in this industry. Fourth, and most importantly, the entrepreneur must also be a born leader [6, p. 382].

The category "born" used by A. Marshall largely determines the intentionally (using the categories of phenomenology) of an entrepreneur on the objects in the outside (management). Since this phenomenon is associated with psychological phenomena, we can link this statement with the thesis of F. Brentano, that if every mental phenomenon is thought conscious, it seems that in the vast majority of even the simplest cases it is impossible to avoid the assumption of the infinite complication of mental states [3, p.64].

Speaking about the variety of mental states, it is advisable to pay attention to the theses of the modern American author on entrepreneurship (40 books and more than 300 articles) Robert Hisrich, who focuses on entrepreneurship as a process of creating something new and valuable.

R. Hisrich calls an entrepreneur a person who spends the necessary time and effort for his business, takes on a complex of financial, psychological and social risk, but receives a reward for his efforts material (money) and moral (achieving the goals) satisfaction [7, p. 17]. In other words, it is about innovativeness (variety of mental states) and readiness for psychological and social risk. Drawing attention to the essence of the concept F. Brentano, it can be noted that consciousness is thematically based on the separation of physical and mental phenomena, as well as on the concept of the intentionally of the acts of consciousness [5]. In other words, having a set of mental phenomena, the intentionally of the entrepreneur's consciousness can be directed to a large (diverse) number of physical phenomena. The result of this multi-direction is the appearance of a non-standard product that gives its creator a competitive advantage.

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## 4. Results and Discussion

Thus, the considered points of view of foreign authors on entrepreneurship testify: this phenomenon in the process of research was revealed through such psychological features of authors as profit, public and industrial benefit, risk, competence and a certain set of moral and business qualities. However, it should be noted that there are certain differences between foreign and domestic approaches to entrepreneurship.

It should be noted that Russian scientists based on historical and modern experience, have also repeatedly described and summarized the issues of entrepreneurship and entrepreneurs. For example, A.V. Busygin calls entrepreneurship the art of doing business

[8, p. 31]. Without entering into the discussion, we note that the phenomenological nature of art was described by G. Hegel [9]. Russian authors Savchenko V. E. and Polovinkin P. D. characterize entrepreneurship as a special form of relations within the system of economic activity [10]. A. N. Dudkin believes that entrepreneurship is a system of management, in which the main role is played by an entrepreneur who rationally combines a variety of factors of production and organizes the process of reproduction on an innovative basis, economic risk and economic responsibility for the final results in order to obtain entrepreneurial income [11]. The other two co-authors-Krupanin A.A. and Kazantsev A.K., who are engaged in business activities – briefly define entrepreneurship as an independent activity of individuals, which is carried out on their own initiative and is aimed at obtaining profit [12, p. 42]. Another pair of researchers – Semenenko A.I. and Sergeyev V. I. called «entrepreneurship» production and commercial activities, organized on the basis of legitimate economic freedom, as well as initiative and entrepreneurship [13]. Koch L. V. defines entrepreneurship as a special factor of social reproduction, which provides the necessary economic dynamics through the creation of effective production and marketing combinations of factors of production, as well as a more specific form of entrepreneurship, determined by the system of management within the boundaries of innovative, risky activities to generate income related to the entire process of reproduction or to its distinct stages [14]

Russian scientists tend to concentrate more on the entrepreneur and entrepreneurship as a noumenon, which is solely the product of the rational activity of the authors. This approach contradicts our theoretical conclusion stated above and does not reveal the fact that the nature of successful entrepreneurship can be clearly structured and described.

A number of domestic authors use more flexible definitions that may correspond to the phenomenological nature of the entrepreneurial activity. In this context, views on entrepreneurship of the following researchers are of particular interest:

- Shestakov A.V., who insists on the entrepreneurship manifests as an initiative, constantly striving to find new ways to make a profit in any sphere [15, p. 11];
- Nabatova O. V., saying about the ambiguous nature of the socio-economic and financial role of entrepreneurship in a market economy, as well as the general openness of entrepreneurship as a system of management and its special economic activity providing a path from idea to implementation [16];
- Kuzmenko S. A. and Himicheva V. S., noticed the desire of entrepreneurs to optimally combine the possibilities of their own potential and the situation in the market with the investment perspective, the dynamics of supply and demand in a particular area of the economy, the level of prices and, ultimately, the search for the most effective means to meet their own and public needs [17].

Such flexible definitions make it possible to use E. Husserl's concept of phenomenological reduction to understand the phenomenological nature of entrepreneurship. In this case, phenomenological and psychological reduction allows to "turn off" the real world, given in natural conditions, and move to focus on the experiences of consciousness. In fact, approach the understanding of entrepreneurship as an independent phenomenon (purified from any reality of experiences, including mental).

The given list of judgments, arguments and definitions of domestic researchers of the phenomenon of entrepreneurship can be completed with the generalization of Khafizov D. M., Khismatullin M.M., and E. S. Isaicheva about entrepreneurship as a system of management. Co-authors characterize this system as more efficient in terms of the use of resources on the basis of a rational combination of factors of production, creativity, innovation, reasonable risk and liability for the end result, aimed at obtaining entrepreneurial income through the most complete satisfaction of consumer demand [18].

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## 5. Conclusions

Thus, the diversity of domestic ideas about entrepreneurship boils down to the fact that the main purpose of business is to make a profit by meeting the consumer interests of society. This is the legacy of the paradigm of classical Marxism, and primarily dialectical materialism,

where profit is the materialized result of a commercial activity. However, the question of the motivating forces of entrepreneurship remains unanswered. It is this issue that we see as crucial for the study in the context of solving the problems of expanding the sphere of entrepreneurship in modern Russian society. It is also noteworthy that an entrepreneur can be a person who already has a certain social experience, converting which an entrepreneur can successfully (or not successfully) carry out its activities. In this context, we approach the fact that entrepreneurship is not a uniform phenomenon. This phenomenon is represented by the merging of two separate phenomena: the mental (psychological) phenomenon (conceptually formulated by F. Brentano) and the phenomenon of consciousness (formulated by E. Husserl).

As noted in the works of E. Husserl, the phenomena of consciousness are not images of something else, different from them and existing independently, but self-revealing data of consciousness, representing the world. They contain moments of transient, situational, non-essential, from which it is necessary to distract, carrying out phenomenological reduction. This will make it possible to "put out of brackets" the objects and information offered by modern science, which significantly limits the cognitive possibilities of studying this phenomenon [19]. After phenomenological reduction, it becomes possible to study the phenomenon of entrepreneurship as a category of social discourse in all its diversity. At the same time, we do not plan to obtain unambiguous formulations and definitions, since the phenomenological nature of the phenomenon of entrepreneurship causes its significant individual differences among individual authors.

On this basis, we conclude that the hypothesis put forward at the beginning of the study is confirmed, since it is proved that persons with certain psychological (socio-cultural) features show social activity in the sphere of entrepreneurship. Also, as a result of theoretical analysis, it is shown that not only the entrepreneur but also all entrepreneurial activity is an interdisciplinary phenomenon. This phenomenon simultaneously refers to Economics, sociology, psychology and philosophy. The lack of due attention to the problem of entrepreneurship on the part of philosophers and sociologists-theorists is explained by the fact that the phenomenological reduction necessary for the study of this phenomenon is not a certain thought process. This process significantly goes beyond the usual methodology (philosophy) of dialectical materialism (as a product of Marxism) for modern economists.

Future work. On this basis, we believe that the study of this phenomenon should be continued primarily in the context of interdisciplinary research aimed at identifying the boundaries of the phenomenon of entrepreneurship. In our opinion, the objects of concretization should be the motivating conditions for the emergence of mental (psychological) processes and acts of consciousness (mental acts) that determine the success of entrepreneurial practices. This task is especially relevant in modern conditions when the entrepreneurial product and entrepreneurial practices are increasingly moving into the virtual plane.

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