Research Article
Volume 12:2, 2023

Entrepreneurship & Organization Management

ISSN: 2169-026X Open Access

The Role of Entrepreneurship on the Economic Growth and Development

Tamara Maaitah*

Department of Economics, University of Jordan, Amman, Jordan

Abstract

To achieve the country economic development and growth, entrepreneurship takes a central role in creating and extracting value. Entrepreneurs mostly contribute on the road to a balanced economic development through the superlative use of obtainable properties as they generate innovative dealings and occupational locations for individuals and ease in cumulative competition over the practice of IT skills, the outcome of which is efficiency, Instinctively, large systematic developments in the industrial segment generate a ration of chances for advanced businesspersons, while other entrepreneurs progressively familiarize to the measured step of scientific growth in the facilities subdivision the development of the state-run and the development of its economy. Economic evolution over entrepreneurship stem from the conversion of exclusive possessions such as, land, employment and money, into nationwide revenue and properties and facilities, representing wealth. The net national product and per capita there *via* increases, evidencing the dependence of economic development on entrepreneurship. Even with a considerable number of funds, a nation state may still discovery it difficult to progress its economy without entrepreneurship.

Keywords: Entrepreneurship • Economic development • IT skills • Outcome • Efficiency

Introduction

Economic sustainability requests constant innovation and entrepreneurship, which is frequently demonstrated in capitals. Armed with dissimilar structures, together perceptible and imperceptible, capitals can take about or deter the efforts of entrepreneurship; this may be demonstrated by the nation of the town (a feature that is distinct to it), which could upsurge the entrepreneurial events all over a long period [1]. Dedicated revisions to the subject of entrepreneurship and growth involve diverse arenas such as, macroeconomy, microeconomy, economic welfare (to name a few), at numerous geographic and area stages [2]. Based on the country level, an evaluation of the macro-economic possessions of entrepreneurship through 26 OECD nation states was conducted. Bahrini R and Qaffas AA [3] found the rate of equilibrium of solo self-employment to be independent of the economic progress stages and both positive and negative rate of eccentricities from balance would minimize growth level. The economic independence points are the top forecasters of entrepreneurship on the basis of their checkup of 70states [4]. Moving on to the regional level, common of studies of the same caliber focused on the part enjoy yourself *via* entrepreneurial bionetworks [5]. In this study, the outcome of entrepreneurship on economic growth in five Jordanian companies is measured, with the country framework, namely culture, geography and institution, examined as the moderating concepts. The next section presents an examination of related literature on the association amongst entrepreneurship and economic growth and literature's measurement of entrepreneurship.

Literature Review

Entrepreneurship overall increases and enables the evolution of the economy over its accepted advanced section. Moreover, entrepreneurship is sponsored over the administration of capitals in dissimilar new habits *via* businesspersons [6]. Such advanced advance kind has a biological landscape associated to the kind of evolution that is reliant on on bodily principal. Nonetheless, entrepreneurship may, in some suitcases, deter economic development. Obviously, as a widely rummage-sale terminology, entrepreneurship may attract more currency and individuals than it warranties, as an outcome of which, unreasoning allocation of resources succeeds. Also, the ecosystem may disturb the link among entrepreneurship and monetary growth. Scholarships have observed the bionetworks in sunny of their mechanisms, situations and progressions together in system and experimental behaviors to regulate what encourages or deter in entrepreneurship [7]. Between the revisions, Isenberg [8] planned six significant business ecosystem mechanisms and they are, procedure, money, philosophy, cares, human assets and marketplaces, nevertheless the World Fiscal Opportunity [9] exposed that entrée to marketplaces, social and monetary capital that of excellence are helpful circumstances for entrepreneurial accomplishment. The technical construction of an academic ecology, collected of three coats, specifically recognized preparations [10], reserve awards and productivity, in the form of creative entrepreneurship – this displays that entrepreneurship can be measured as a singularity that stalks from compound schemes. On the additional pointer, the ecology may similarly act as a controlling adjustable in the entrepreneurship-development association [11]. On the full, the ecosystem may encourage entrepreneurship or be the foundation upon which the entrepreneurship-economic result is constructed.

With regards to the dimension of entrepreneurship, scholars commonly accept five opinions of view namely, self-employment, new firm creation, early-stage entrepreneurship, necessity entrepreneurship and chance entrepreneurship [12]. Both self-service and new secure construction are valid to any entrepreneurship research, however the outstanding three have are appropriate to separate emphases. In spirit, entrepreneurship rises to the formation of somewhat new; for example, self-engagement or sole proprietary that indorses novelty. When protracted, self-employment might main to original firm creation, which is a main measured seeing novel manufacture devices are frequently showed thru the firm. Touching on to initial-phase entrepreneurship, it reproduces the dangerous lifecycle and demise passé of entrepreneurial exertions and is measured to be a main development motorist, diffusor of knowledge and maker of occupations [13]. Furthermore, inevitability and chance entrepreneurship elucidate the reasons and outcomes of numerous entrepreneurship categories. Definitely, need entrepreneurship shows the absence of improved substitute job optimal of the businessperson, though chance entrepreneurship specifies that leveraging of a business chance thru the businessperson. Added to the above, entrepreneurship dimension can be

***Address for Correspondence:** Tamara Maaitah, Department of Economics, University of Jordan, Amman, Jordan, E-mail: tamara198992@yahoo.com*

Received: 19 December, 2022, Manuscript No: jeom-22-84032; **Editor assigned:** 22 December, 2022, PreQC No: P-84032; **Reviewed:** 10 January, 2023, QC No: Q-84032; **Revised:** 24 January, 2023, Manuscript No: R-84032; **Published:** 02 February, 2023, DOI: 10.37421/2169-026X.2023.12.404

accepted out tortuously using origination or over opposition [14].

Literature revised show that that common of educations absorbed on the entrepreneurship-economic development connection that attentive on the economic expansion phase of the country and exposed that entrepreneurship (business ownership) and GDP has a U-shaped linking, whereas others designated that entrepreneurship regulates the development of the budget, albeit this was unnoticed *via* the neoclassic development model, connecting labor and wealth only to output [15]. Such educations resisted that entrepreneurship definitely influences economic development concluded entrepreneurship investment and they maintained for it to be comprised into economic evolution models. Consequently, in another associated study, secondhand data discarded from German sections to survey the connection amongst diverse entrepreneurship principal kinds, such as, the amount of start-ups comparative to populace, start-up activity in high-knowledge ICT businesses and start-up movement in the ICT industries, in light of their connection to economic development [16]. They analytically found an optimistic affiliation amongst entrepreneurship and economic routine, with entrepreneurship capital being mentioned to as the whole issues manipulating and starting the economic situation, in a way that it enables the start-up of new-fangled dealings. The writers further worried on the community strategy and its elevation of entrepreneurial investment and its optimistic influence on the presentation of the budget.

In this respect, discussions abound amongst the memberships of academic world and representatives as to the influences lashing economic development of a country/region, which has advised investigators to essence on entrepreneurship and to scrutinize its consequence on economic development for instance. Showed an experimental check of the equal to which entrepreneurship enable the growing of the cheap and they originate that sideways from the savings in research and human wealth, entrepreneurship definitely pretentious economic evolution [17]. In a similar manner, examined the consequence of entrepreneurship on monetary growth, seeing the exportation alignment of afresh shaped businesses [18]. They exposed a optimistic consequence of entrepreneurship on financial development, although export position underwrote in an additional way to the concluding. Moving on to another study, carried out an experiential inspection and examination of the implication of entrepreneurship (gauged finished the rate of self-employ) towards monetary growth, by means of data gained from 10 private sectors [19]. Founded on their consequences, information-based entrepreneurship energies economic growing decided that entrepreneurship transport about information spill-over, after which this indorses financial evolution.

In the similar line of education, create an adjacent affiliation amongst entrepreneurship, revolution and economic evolution, with the first two contributive to amplify economic events and the development encouraging happenings associated to them [20]. The authors highlighted an honorable cycle amongst the variable quantity, with each of the three variable star having optimistic influence on each other. Also, originate a momentous entrepreneurship-economic growth association *via* institutional environment excellence, by means of data found from 25 EU republics for the old-fashioned straddling from 2006 to 2014. Their conclusions presented that the recognized environment excellence encourages creative entrepreneurship, which would then enable the growing of the economy. The authors touched to the deduction that entrepreneurship has an optimistic result on economic development, with the top forecasters of the previous being monetary constancy, administration size and apparent entrepreneurial facilities for business start-ups [21].

Role of entrepreneurship in economic development

Prosperity formation and distribution: entrepreneurs capitalize their incomes and fascinate principal (e.g., debt, equity) over the formation of their productions. Such possessions can be gained from stockholders, financiers and the communal, hence, lashing public means, despite the fact permitting the individuals to assistance from professional accomplishment. This mutual capital kind that stems from the formation and spreading of wealth is a pre-requisite and area of economic expansion.

Generate occupations: Businesspersons obviously generate occupations rather than looking for careers, with the unpretentious description being that on one occasion a specific converts a magnate, the economy is one less work hunter and engagement can be finished for numerous work explorers, which is a kind of job expansion.

Encourages investment creation: through marshalling the public investments, entrepreneurs basically encourage investment creation, which is critical for the expansion of the productions and the budget of a state.

Creates large-scale employment opportunities: over entrepreneurship, entrepreneurs enable great gauge work occasions which continue a determined delinquent amongst emerging and under-advanced countries.

Promotes the balanced regional development: regional disparities if minimized or eradicated *via* entrepreneurs as they establish industries in less developed nations and regions.

Decreases attention of summary economic influence: manufacturing and business events produce economic power naturally.

Wealth creation and distribution: entrepreneurship drives equitable wealth and income distribution towards the betterment of the country.

Increases gross national product and per capita income: entrepreneurship start with leveraging chances and clarifying them, next which possessions, in the form of principal and talent, are prepared.

Advances the usual of existing: entrepreneurial happenings advance the existing ideals of individuals, which is one of the features of the state's expansion.

Encourages nation state transfer employment: the state's transfer employment is improved over entrepreneurship, which is alternative representative of the nation state economic progress.

Producing novel dealings: segments and industries are inspired over entrepreneurs past innovative projects.

Facilitates overall development: entrepreneurs catalyze change which has a undulating consequence and once formations are set up, economic development instigates.

Makes innovation: entrepreneurs' exploration for deviations sidewise from the amalgamation of construction features and contemporary novel designs and new features grouping.

Allocates capital and asset: entrepreneurship promotions and enables optimum circulation of affluence and venture during the nation state.

Methodology

The main neutral of this paper is to check the effect of entrepreneurship on economic progress the method approved is complete as follows:

Research design

This study accepted the logical positivism standard to spread over the research conclusion visibly and outside the work state of affairs, confirming independence beginning partiality. This is a situation learning that offers detailed sympathetic of the Private sectors systems, where statistics is grouped concluded planned questionnaire. The explore usages mutually main and subordinate statistics to accomplish the points. The targeted enterprises consist of private sectors with a minimum capital employing 50 employees. The study adopts a simple sampling system (Table 1).

Sample size and sampling techniques

The size of the sample was obtained from the list of managers, senior executives and middle management of private Companies. A total of 500 respondents were selected through simple random sampling, based on probability sampling, after which the sample was stratified to ages 26 years

Table 1. Main private sectors in Jordan.

Sl. No	High Significance	Medium Significance	Low Significance
1	Medical sector	Medical needles	drugs
2	Industrial sector	Agro Allied	Livestock
3	Textile sector	wood products	
4		natural food sector	
5		Service industry	

Source: Report of the vision 2022

and over, with 5 years being the least working experience and a degree being the least academic qualification. Four-hundred questionnaire copies were distributed, from which 477 copies were retrieved, indicating 95.3% rate of response. Specifically, 23 copies were excluded for improper filling, but the remaining 477 copies were deemed very good and sufficient for the research, representing each population unit and minimizing sampling error (Table 2).

Pilot study and assessment of reliability and validity

The items in the questionnaire were checked and modified *via* the author's supervisor and several Department officials in the private sectors to ensure satisfied legitimacy. Besides, the author also directed a model test *via* 25 respondents to start reliability of the instrument, which is devoted to as the level to which the results remain consistent over time, accurately depicting the total people under checkup. A dependable instrument is one in which the study outcomes can be replicated *via* the similar technique and it delivers an awareness of duplication, repeatability or reliability of explanations /conclusion. Accordingly, the reliability test Cronbach's Alpha (α) was used and the general reliability coefficient charge was initiate to 0.866 (85.6%) of the whole items. Henceforward, this recognized the consistency of the instrument (Table 3).

Data analysis

Under this section, the analysis of the answers from the questionnaire is conversed. Data is used to show the examination conclusion, using a 7-point Likert scale to measure the substances. The researcher managed the questionnaire replicas to the defendants and the found statistics was uncovered to Illative Statistics Simple Regression Analysis for data analysis. The analysis was conducted using SPSS and the hypotheses were verified at the 5% significance level. The entire analyses were based on data obtained from 377 respondents (Table 4).

Results and Discussion

Testing the first hypothesis, "There is no significant relationship between entrepreneurship development programs and economic development".

Based on the results of the above (Table 3), the hypothesis that no significant relationship exists between the development of entrepreneurship programs and economic development, was rejected owing to the probability value of less than 5%. Thus, the alternative hypothesis is accepted.

Testing the second hypothesis, "There is no significant relationship between entrepreneurship development programs and job creation".

The above (Table 4) indicates no support for the hypothesis that states the absence of significant relationship between entrepreneurship development programs and job creation, as the probability value is lower than 5% and thus, the study accepts the alternative hypothesis.

Table 2. Reliability coefficient of the instrument.

Sl. No	Item	No of item	Alpha (α) coefficient
1	Entrepreneurship and economic growth	8	0.868
2	entrepreneurship development and job formation	7	0.905
3	Overall	15	0.868

Table 3. Simple regression of the relationship between entrepreneurship development programs and economic development.

Economic development Coefficients	P-Value
Entrepreneurship development programmers	0.030
R Square	0.289
F-test	18.680(0.000)
Dependent Variable: Economic development	

Table 4. Simple regression of the relationship between entrepreneurship programs and job creation.

Creation Coefficients	P-Value
Entrepreneurship growth programmers	0.019
R square	0.31
F-test	28.83(0.000)
Dependent Variable: Job creation	

Discussion of Findings

The objective of this study is to survey the outcome of entrepreneurship expansion plans on economic progress in Jordan. The hypothesis test conclusions displayed provision for the important affiliation amongst entrepreneurship expansion programs and economic advance, which is a result dependable with respects to the additional hypothesis, the outcomes excluded the absenteeism of substantial affiliation amongst entrepreneurship advance plans and job conception.

Summary and Conclusion

This study determined the impact of government entrepreneurship growth on economic development and job creation. Based on the results, the transformation of new ideas to product/service through entrepreneurship result to reduce the unemployment rate, increased capacity of productivity, enhanced experienced, increased living standards, increased government efforts towards development entrepreneurship, government provision of technical assistance for industrial development and the overall economic development. Job creation increases the productivity of the entrepreneur to facilitate the development of the economy, which is why, it is crucial for governments and individuals to create job opportunities and this happens to be the biggest challenge in the current business world.

In addition, reduce unemployment rate refers to the entrepreneur's mental ability to manage opportunity and the lack of entrepreneurs in the country could lead to abject poverty, which is why innovation and creativity needs to be nurtured in individuals in order to positively influence the community and the whole country. Entrepreneurship development leads to job creation, urging people to improve their lives and the whole economy. Accesses to socio-economic opportunities, suitable technologies and foreign markets, technological innovations and the minimization of poverty are all brought about through job creation and business environment characteristics, which would contribute to economic development. Thus, the newly established Companies would significantly contribute to job creation [22].

The government of Jordan has established policies and programs in order to generate employment through entrepreneurship, specifically since the structural adjustment program in the mid-1980s.

Recommendations

On the basis of the above conclusion, this study endorses the following;

This research inspires easy admittance of people to entrepreneurship growth capital *via* microfinance in Jordan. The government should deliver training programs advancing the Jordanian youth, mainly those that are prepared to contribute in the progress of the country. Entrepreneurship should be encouraged as a means to prosperity formation and enrichment of living over goods/service manufacture.

This study also recommends that entrepreneurship be developed *via* inculcating the field into the curriculum of schools to promote human empowerment and development, acquisition of entrepreneurial assistances and training. Businesses' proprietors need to work in partnership with research practicalities to exploit and leverage research conclusions for greater scientific expansion in entrepreneurship. The National Companies Commission can support this thru authorizing all Jordanian private companies to establish entrepreneurship development centers and include two compulsory courses on the topic for undergraduate students, nevertheless of the ground they are perusal in for the own good of the complete economic expansion.

Acknowledgement

None.

Conflict of Interest

None.

References

1. Afshan, Gul, Subhan Shahid and Muhammad Nawaz Tunio. "Learning experiences of women entrepreneurs amidst COVID-19." *Int J Gend Entrepreneurship* (2021).
2. Aquino, Richard S., Michael Lück and Heike A. Schänzel. "A conceptual framework of tourism social entrepreneurship for sustainable community development." *J Hosp Tour Manag* 37 (2018): 23-32.
3. Bahrini, Raéf and Alaa A. Qaffas. "Impact of information and communication technology on economic growth: Evidence from developing countries." *Economic* 7 (2019): 21.
4. Bansal, Sanchita, Mansi Jain, Isha Garg and Mrinalini Srivastava. "Attaining circular economy through business sustainability approach: An integrative review and research agenda." *J Public Aff* 22 (2022): e2319.
5. Bauwens, Thomas. "Are the circular economy and economic growth compatible? A case for post-growth circularity." *Resour Conserv Recycl* 175 (2021).
6. Bresciani, Stefano, Rosa Puertas, Alberto Ferraris and Gabriele Santoro. "Innovation, environmental sustainability and economic development: DEA-Bootstrap and multilevel analysis to compare two regions." *Technol Forecast Soc Change* 172 (2021): 121040.
7. Dhahri, Sabrine, Sana Slimani and Anis Omri. "Behavioral entrepreneurship for achieving the sustainable development goals." *Technol Forecast Soc Change* 165 (2021): 120561.
8. Doern, Rachel, Nick Williams and Tim Vorley. "Special issue on entrepreneurship and crises: Business as usual? An introduction and review of the literature." *Entrepreneurship Reg Dev* 31 (2019): 400-412.
9. El-Haddadeh, Ramzi, Mohamad Osmani, Nitham Hindi and Adam Fadlalla. "Value creation for realising the sustainable development goals: Fostering organisational adoption of big data analytics." *J Bus Res* 131 (2021): 402-410.
10. Fan, Mingyue, Sikandar Ali Qalati, Muhammad Aamir Shafique Khan and Syed Mir Muhammad Shah, et al. "Effects of entrepreneurial orientation on social media adoption and SME performance: The moderating role of innovation capabilities." *PloS one* 16 (2021): e0247320.
11. Hooks, Debra, Zachary Davis, Vikas Agrawal and Zonghui Li. "Exploring factors influencing technology adoption rate at the macro level: A predictive model." *Technol Soc* 68 (2022): 101826.
12. Igwe, Paul Agu, Ugochukwu Chinonso Okolie and Chioma Vivienne Nwokoro. "Towards a responsible entrepreneurship education and the future of the workforce." *Int J Educ Manag* 19 (2021): 100300.
13. Khalil, Mahmoona, Kausar Fiaz Khawaja and Muddassar Sarfraz. "The adoption of blockchain technology in the financial sector during the era of fourth industrial revolution: A moderated mediated model." *Qual Quant* 56 (2022): 2435-2452.
14. Khan, Syed Abdul Rehman, Danish Iqbal Godil, Zhang Yu and Farwa Abbas, et al. "Adoption of renewable energy sources, low-carbon initiatives, and advanced logistical infrastructure—an step toward integrated global progress." *Sustain Dev* 30 (2022): 275-288.
15. Klofsten, Magnus, Alain Fayolle, Maribel Guerrero and Sarfraz Mian, et al. "The entrepreneurial university as driver for economic growth and social change-Key strategic challenges." *Technol Forecast Soc Change* 141 (2019): 149-158.
16. Koomson, Isaac, Edward Martey and Prince M. Etwire. "Mobile money and entrepreneurship in East Africa: The mediating roles of digital savings and access to digital credit." *Inf Technol People* (2022).
17. Muhmad, Siti Nurain and Rusnah Muhamad. "Sustainable business practices and financial performance during pre-and post-SDG adoption periods: A systematic review." *J Sustain Finance Invest* 11 (2021): 291-309.
18. Rippa, Pierluigi and Giustina Secundo. "Digital academic entrepreneurship: The potential of digital technologies on academic entrepreneurship." *Technol Forecast Soc Change* 146 (2019): 900-911.
19. Shamout, M., R. Ben-Abdallah, M. Alshurideh and H. Alzoubi, et al. "A conceptual model for the adoption of autonomous robots in supply chain and logistics industry." *Uncertain Supply Chain Manag* 10 (2022): 577-592.
20. Skare, Marinko and Domingo Riberio Soriano. "How globalization is changing digital technology adoption: An international perspective." *J Innov Knowl* 6 (2021): 222-233.
21. Su, Chi-Wei, Yannong Xie, Sadaf Shahab and Ch Muhammad Nadeem Faisal, et al. "Towards achieving sustainable development: role of technology innovation, technology adoption and CO_2 emission for BRICS." *Int J Environ Res Public Health* 18 (2021): 277.
22. Sun, Huaping, Aminatou Kemajou Pofoura, Isaac Adjei Mensah and Liang Li, et al. "The role of environmental entrepreneurship for sustainable development: evidence from 35 countries in Sub-Saharan Africa." *Sci Total Environ* 741 (2020): 140132.

How to cite this article: Maaitah, Tamara. "The Role of Entrepreneurship on the Economic Growth and Development." *Entrepren Organiz Manag* 12 (2023): 404.