

# Historical and Contemporary Approaches to Entrepreneurship. Review of Polish Literature

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#### **Abstract**

The 21st century has been a period of dynamic socio-economic changes in the world due to globalization, internationalization and expansion of organizations satisfying more and more varied customer needs. As the competition is growing, companies operating on the market have to continuously work on their development. The entrepreneurship has been combining knowledge, commitment and technology of the entrepreneur. Entrepreneurial attitude and behavior allow to find yourself on the market and achieve success. That is why entrepreneurship has been the object of interest of many scientists, not only in the field of economics. The aim of this paper was to present a review of Polish definitions of entrepreneurship, an enterprise and an entrepreneur, on the background of foreign historical approaches to entrepreneurship. Despite considerable interest in the subject of entrepreneurship, there is no unambiguous definition of this phenomenon. A common feature of the proposed definitions is the combination of entrepreneurship and business. Multidimensionality of entrepreneurship emphasizes its importance in economic development, as it occurs in all sectors of the economy.

**Keywords:** entrepreneurship, definitions, features of entrepreneur.

**JEL Classification:** M20, N80, N84, L26, L32, L53, P21.

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## Introduction

An enterprise can be defined as a team of people as well as material and financial resources, appointed to conduct a specific economic activity and separated in terms of technical-service, technical-production, spatial, economic and legal (Altkorn, Strużycki, 1994). In the worldwide literature, enterprises are usually defined by the quantitative classification of enterprises, in which the size of the enterprise plays a key role, determined by the number of employees and annual turnover. The above criteria are often supplemented with additional ones, such as: amount of capital employed (Italy, France, Ireland) or the essence of relations between the employer and employees (Great Britain, Germany) (Karska, 2002). In the literature, there are numerous criteria for assigning companies to the terms: small and medium (also micro and large). These criteria can be generally divided into qualitative, quantitative or mixed.

The aim of this paper was to present a review of Polish definitions of entrepreneurship, an enterprise and an entrepreneur, using qualitative criteria, on the background of foreign historical approaches to entrepreneurship.

# Historical basics of entrepreneurship

Some economists believe that certain manifestations of entrepreneurship there since the dawn of mankind (Hébert, Link, 1988: 7-13). While the concept of entrepreneurship and entrepreneurs appeared in literature and science in the 18th century, they have not found a suitable place in the contemporary scientific achievements, remaining only a background of some economic theories. It is divided into three main streams research enterprise (Gaweł, 2007: 5; Hébert, Link, 1988):

- ➤ the first trend derived from F. Knight's theory (1920s) according to which entrepreneurship is understood as the ability to take the risk of market activity;
- ➤ the second trend derived from the theory of J. Schumpeter (1930s) where the essence of entrepreneurship lies in people's ability to introduce broadly understood market innovations;
- ➤ the third trend derived from the theory of I. M. Kirzner (second half of the 20th century) according to which the entrepreneur takes a risk and operates under conditions of uncertainty;
  - Moreover, Hebert and Link add the fourth trend, derived from the theory of J. H. von Thünen (middle 19<sup>th</sup> century) combining the ability to deal with uncertainty and to apply innovation by the entrepreneur.



In Figure 1, the types of entrepreneurial theory are systematized along with the assignment of representatives to particular theories, in accordance with the similarity of positions.

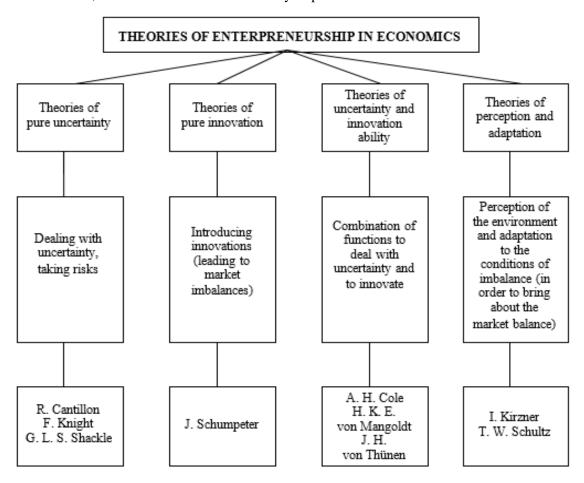


Figure 1. Theories of entrepreneurship in economics

Source: the Author based on (Hébert, Link 1988: 109)

Economists pay attention to various functions of an entrepreneur. For example, M. C. Casson (1982: 13) believes that the entrepreneur is a person who performs a specialized role by making basic decisions on coordination of scarce resources, whereas according to J. B. Say (1855) an entrepreneur is a founder and a manager of the company.

Some authors attribute the entrepreneur to several functions at the same time (eg R. Cantillon, I. Kirzner, J.Schumpeter, J. H. von Thünen, and M. Weber). Details are presented in Table 1.

Table 1. Functions of the entrepreneur according to economists

Functions of the entrepreneur	Economists representing the concept	
Bearing the risks associated with	R. Cantillon, A.H. Cole, H.K. von Hawley, F. Knight, H.K.E. von Mangoldt, J.S. Mill,	
uncertainty	L. von Mises, G.L.S. Shackle, J.H. von Thünen	
Providing financial capital	E. von Böhm-Bawerk, F. von Edgeworth, L. von Mises, A.C. Pigou, D. Ricardo,	
	A.Smith, A.R.J. Turgot	
Implementing innovations	A.N. Baudeau, J. Bentham, G. Schmöller, J. Schumpeter, W. Sombart, J.H. von Thünen,	
	M. Weber	
Decision-making	R. Cantillon, M. Casson, A.H. Cole, J.M. Keynes, I. Kirzner, A. Marshall, C. Menger,	
	L. von Mises, G. Shackle, T.W. Schultz, F.A. Walker, F.V. Wieser	
Leadership (industry leader)	A. Marshall, J.B. Say, J. Schumpeter, W. Sombart, F.A. Walker, M. Weber, F.V. Wieser	
Managing (especially resource control)	A. Marshall, C. Menger, J.S. Mill, J.B. Say	
Organizing and coordinating	C. Clark, G. Schmöller, J. Schumpeter, W. Sombart, M. Weber, F.V. Wieser	
Enterprise / resource ownership	A.C. Pigou, F.V. Wieser	
Employment of production factors	J.M. Keynes, F.A. Walker, F.V. Wieser	
Concluding contracts	J. Bentham	
Arbitration	R. Cantillon, I. Kirzner	
Resource reallocation	I. Kirzner, T.W. Schultz	

Source: Hébert, Link, 1988: 107-108



The following is a brief description of the entrepreneurial theory detailed in Figure 1.

# Theories of pure uncertainty

The concept of entrepreneurship appeared in the scientific literature thanks to R. Cantillon (1755), who believed that personal willingness of producers and consumers to make a profit in the market system was their driving force. The key actors in this self-regulating system were entrepreneurs who in the pursuit of profit triggered social effects that exceeded those that state interference could have achieved (Landreth, Colander, 2005: 70). Among the working people, Cantillon distinguished two groups of people – entrepreneurs (with uncertain income) and employees (with fixed incomes) and he emphasized the difference between an entrepreneur (making decisions and risks) and a capitalist (owner of capital or a factory).

Cantillon's thought was developed by J. Say (1855) claiming that entrepreneurship was the ability to transfer resources from the area of lower productivity to areas of higher productivity or profits. According to Say, an entrepreneur was a person who created a business or took control over it, used favourable opportunities and was the driving force of economic change and progress.

F. H Knight (1933) paid special attention to linking the entrepreneur with the categories of uncertainty and risk. According to Knight, the risk was measurable (i.e. it was possible to estimate probability of its occurrence and insure), whereas uncertainty – unmeasurable. At the same time, Knight distinguished three types of probabilities – mathematical, statistical and estimated (Gładysz, 2006: 31-41). The entrepreneur had to anticipate future demand and calculate prices accordingly. In this way, he took the risk of economic activity and its consequences related to the uncertainty in which he acted, and the generated profit was income due to uncertainty (Kraśnicka, 2002a: 27).

# Theories of pure innovation

In the first half of the 20th century, the concept of entrepreneurship became an area of interest for J. Schumpeter, who claimed that entrepreneurship was innovation, implementation of new technologies, products, forms of organization of production and sales. According to Schumpeter, entrepreneurship meant a peculiar state of entrepreneurial spirit, which triggered in him the strength to overcome obstacles, his own superstitions and resistance, allowed to swim against the current in unknown circumstances (Schumpeter, 1960: 11).

Schumpeter's entrepreneurial activities included only those that were undertaken in the new field, were based on new ideas and constituted new solutions, e.g. establishing a new enterprise and manufacturing new products, applying new production technology, discovering new sources of raw materials or new sales markets, introducing a new production organization or a new industry. On the other hand, people undertaking projects in already known fields, even if they were based on creating a new enterprise, could not be called entrepreneurs (Piasecki, 1998: 26).

Referring his theory to the concept of risk and uncertainty, Schumpeter stated that the investment risk was not due to the entrepreneur (manager) and the owner of the capital and means of production or the owner of the shares. He therefore rejected Cantillon's position, but partly agreed with Say. According to Schumpeter, entrepreneurs as innovators were the driving force of the economy, and their operation was innovative only at the first combination of production factors (following, the same combinations were only routine activities).

# Theories of uncertainty and innovation ability

Theories of uncertainty and the ability to innovate were a peculiar combination of Knight's and Schumpeter's trends. The theory of H.K.E. von Magoldt was based mainly on production and the associated risk. He distinguished production on order (with fixed income) and production on the market (burdened with the risk related to the uncertainty of changes on the market).

On the other hand, J. H. von Thünen clearly distinguished the concepts of entrepreneurship and management. A self-employed entrepreneur in the face of difficulties spent many sleepless nights looking for solutions to problems and making decisions related to his activities, while the manager's role was limited to tasks performed during working hours for which he received payment. The entrepreneur's activity was therefore at risk, while the search for new solutions to problems made the entrepreneur an innovator. Thünen also defined the entrepreneur's profit as revenue from operations reduced by capital investment costs, insurance risk costs and manager's salary. The profit presented in this way was the remuneration of the entrepreneur for the risk he incurred (cf. Hébert, Link, 2006: 589-597).



# Theories of perception and adaptation

The neoclassical approach to the subject of entrepreneurship of A. Marshall consisted in defining an entrepreneur as a person inspiring new technical, technological, economic and organizational solutions. The theory of I. Kirzner grew on the basis of the scientific achievements of L. von Mises and F. A. Hayek. Under the principle of subjectivism, Mises stressed the role of individual entrepreneurs and the goals and plans formulated by them, through the prism of which they perceive and evaluate the conditions of economic activities against the background of competitive conditions, i.e. uncertainty (Kraśnicka 2002a: 32). The second concept – "spontaneous order" – created by Hayek, also tended to individual subjects. Spontaneous order resulted from the activity of individuals in accordance with market laws. The market shaped by the action of competition forces was the best way to organize social and economic life, in contrast to a centrally planned economy. However, he did not criticize state intervention.

According to I. Kirzner, market processes were determined by two main, closely related elements – competition and entrepreneurship. Kirzner (1793: 30) defined entrepreneurship as readiness to use previously unnoticed opportunities. He claimed that the entrepreneurial element of every human activity was readiness to create new, useful goals and use new available resources. He emphasized the importance of knowledge, specific sensitivity and the ability to search for information and market opportunities, which he called the "entrepreneurial element".

# Contemporary Definitions of an Entrepreneur, an Enterprise and Entrepreneurship in Polish Literature

Contemporary researchers interested in the subject of entrepreneurship agree that there is no unambiguous description of this phenomenon. However, the definitions proposed have a common feature, since they connect entrepreneurship with business (cf. among others Adamczyk, 1995: 12-15; Adamczyk, 1996: 13-17; Gaweł, 2007; Kapusta, 2001; Kłodziński, Fedyszak-Radziejowska, 2002: 25; Kropsz, Kutkowska, 2008: 90; Tuzimek, 2002: 82). Entrepreneurship defies definition operations and it results both from its complexity and historical character. It should also be noted that multidisciplinary research on the phenomenon of entrepreneurship (within theories of economics, psychology, sociology or management sciences), though they provide different research perspectives, do not solve conceptual problems (Kraśnicka 2002a: 14).

In economic sciences, it is assumed that after 1990, the type of entrepreneurship that was crucial for the transformation process in Poland – both in the countryside and in the city – inducing individuals to make decisions to conduct a variety of economic activities. Therefore, many definitions of entrepreneurship emphasize its relationship with economic activity (Kłodziński, Fedyszak-Radziejowska, 2002: 26; Duczkowska-Małysz, Małysz, 1993).

According to contemporary definitions of entrepreneurship, based on earlier theories, it can be easily seen that they are extensive and combine many of the entrepreneur's functions. For example, according to J. Sawicka, the concept of entrepreneurship has got two basic meanings. The term defines the economic process of creating new, usually small and medium-sized enterprises. It is also a feature of personality that characterizes human attitudes and behaviours, consisting in the ability and willingness to bear risk, a tendency to behave innovatively, and taking action to use opportunities (Sawicka, 2000: 9). On the other hand, according to T.Kraśnicka (2002b: 14), entrepreneurship is a special kind of activity for people, acting individually or within an organization, which consists in taking advantage of occasional opportunities and projects (introducing innovations, creating new organizations or renewing existing ones), bringing economic or non-economic effects to their entities and the environment. In turn, according to J. Targalski (2003: 15), entrepreneurship is the process of establishing and running a business, including the following components: identifying opportunities and possibilities of operating on the market, developing a business plan and gathering necessary resources, establishing an enterprise, running a business through subsequent stages of its development (business management).

In the last twenty years of the 20th century, numerous ideas were born based on the theory of pure innovation. R.D. Hisrich and M.P. Peters (1992: 10), among others, define entrepreneurship as a process of creating a new, different value, within which the time and effort necessary to achieve this goal is sacrificed, assuming financial, psychological and social risk accompanying it, and expecting to receive a financial reward and personal satisfaction. In the opinion of J. Sawicka (1998: 24), entrepreneurial activities are the essence of the market economy, because private entrepreneurs, guided by the motivation to achieve their own benefits, broaden the limits of economic activity, introduce innovations, guarantee effective use and allocation of resources in the



entire economy. D. Kamerschen et al. (1991: 5) see the most important function of the entrepreneur in discovering profit opportunities, claiming that the entrepreneur is a business person who discovers potential profitable opportunities, organizes and manages enterprises that have a production character. According to P.F.Drucker (2004: 25-29), all new, small companies have many common features, but if a venture can be described as entrepreneurial, it must display some special features other than that it is new and small. In fact, entrepreneurs constitute a minority among new companies, but they create something new, something different; they change or transform values. According to Drucker, an entrepreneur is an innovator, not a capitalist, although he needs capital to conduct all economic activities (and non-economic majority). An entrepreneur is also not an investor, even though he engages resources in future expectations, which means uncertainty and risk. What's more, in the opinion of Drucker, an entrepreneur is also not an employer, but he is often an employee – or someone who works alone. Entrepreneurship, according to Drucker, is not a personality trait; it is rather a way of acting, because its foundations lie in concept and theory, not in intuition. Entrepreneurship, as a certain attitude of a man towards the environment in which he lives and works, is also noticed by J. Wilkin (1997). What's more, M. Kłodziński and B Fedyszak-Radziejowska (2002: 26) treat entrepreneurship quite broadly, above all connecting it with personality features of individuals, i.e. resourcefulness, initiative and taking action, contributing not only to individual success and satisfaction aspirations of people who undertake them, but also to animate changes leading to the success of the whole community, and consequently – to the social and economic development of the commune. T. Hunek (1993: 13), however, defines the category of entrepreneurship as organization and management of a company, a venture based on motives of profit, assuming risk and on the entrepreneur's own responsibility.

According to K. Krajewski (2004), entrepreneurship is the opposite of waiting, discouragement and passivity in solving difficult life situations, as in 1945-1989 Polish entrepreneurs had to struggle with the theory of superiority of the socialist economy over capitalism propagated by the state authorities in the economic development of the country. Changes in the attitude of the state authorities in the years 1919-1999 to entrepreneurship are illustrated in Table 2.

Table 2. Development of private entrepreneurship in Poland in the years 1919-1999

Year	Characteristics of the period	The dominant sector
until 1939	systematic development of private enterprises	private
1939-1945	development of small trade forced by the situation of the population during the 2nd World War	X
1945-1946	reactivation of enterprises by pre-war owners	private
1946	nationalization of industry and small-scale craft	state
1947-1955	condemnation of enterprising people	state
1956-1970	struggle of the tax apparatus with the manifestations of capitalism	state
1971-1980	thaw for the activities of private owners, silent consent to the capitalist impulses of society	state
1981-1988	increase in the number of business entities, often for political reasons (for repressed persons it was the only source of income)	
1989-1998	rapid development of small enterprises	private
from 1999	small and medium-sized enterprises (SMEs) as a "learning organization"	private

Source: Krajewski, 1999: 21

A man inspires and implements entrepreneurial behaviours, which is why it is impossible to consider the aspect of entrepreneurship, excluding the analysis of entrepreneur's features. T. Kraśnicka (2002a: 21) and J. Pajestka (1988), among others, are of the opinion that there is no entrepreneurship without an entrepreneur (and vice versa). American economists R.F. Hébert and A.N. Link (1988: 155) define an entrepreneur as a person who specializes in making decisive decisions regarding the location, form and use of goods, materials or organizations and who takes responsibility for them. A. Woś (1996: 14), as an entrepreneur, defines a person who makes decisions regarding the allocation of limited resources and constantly demonstrates inventiveness, doing everything on his own account. John Paul II defined entrepreneurship as the ability to recognize needs of other people and to provide goods that meet those needs, which affects enrichment of society (John Paul II, 1991). Table 3 presents a list of various features that encourage or hinder entrepreneurial activities.



Table 3. A list of psychological characteristics that support and hinder entrepreneurial activities

Features that make it difficult	General categories	Features that make it easier
<ul> <li>relying mainly on care and support from other people,</li> <li>submissiveness,</li> <li>rejection and isolation,</li> <li>justifying yourself for lack of success</li> </ul>	Mental needs	<ul> <li>tendency to dominate,</li> <li>striving for ownership and independence,</li> <li>orientation on achieving success and power</li> </ul>
<ul> <li>fears,</li> <li>lack of self-reliance,</li> <li>the desire to maintain your property without multiplying it</li> </ul>	Motivation	<ul> <li>ability to overcome fears,</li> <li>tendencies to increase ownership,</li> <li>orientation on achievements and success,</li> <li>motives of "being entrepreneurial"</li> </ul>
<ul> <li>difficulties in making decisions,</li> <li>instability,</li> <li>"learned helplessness"</li> </ul>	Decisions	<ul> <li>definitely,</li> <li>decisions adequate to the situation,</li> <li>consequence</li> </ul>
avoiding situations and decisions with a risk	Risk	<ul> <li>treating risky situations as a chance for success,</li> <li>making risk-bearing decisions</li> </ul>
<ul> <li>lack of mental resilience,</li> <li>low threshold of stress and frustration</li> </ul>	Success and failure	<ul> <li>mental resistance,</li> <li>high threshold of stress and frustration,</li> <li>ability to operate in difficult situations</li> </ul>
<ul> <li>conservative attitude,</li> <li>conformity,</li> <li>lack of creative abilities</li> </ul>	Innovation and creation	<ul> <li>pioneering attitude,</li> <li>creative abilities,</li> <li>intuition</li> </ul>
<ul> <li>introversion,</li> <li>difficulties in contacts and cooperation,</li> <li>lack of leadership skills</li> </ul>	Co-operation	<ul> <li>extroversion,</li> <li>leadership abilities,</li> <li>creative targeting,</li> <li>trust in others,</li> <li>the ability to negotiate and mobilize others,</li> <li>knowledge of human needs</li> </ul>
<ul><li>fears and fears,</li><li>laziness,</li><li>pessimism</li></ul>	Barriers	optimism and activity,     self-knowledge
– melancholy	Temperament	<ul><li>sanguine,</li><li>high energy and balance</li></ul>

Source: the Author based on (Dobrołowicz, 1995: 683)

A relatively wide range of entrepreneurial traits is also mentioned by B. Karlöf (1992: 76 et seq.). An entrepreneurial person has a large energy load, is capable of action, the motivation of his operation bases on the expected results and who is sensitive to the results of actions taken. The entrepreneur's image is determined by certain characteristics:

- > preferring to make his own decisions;
- accepting risk taking;
- > willing to see results of what is done and expecting constructive criticism and praise;
- > willing to be able to play an active role in the enterprise and so that feeling the happiest in small organizations;
- > feeling good in a situation where business development takes place and in an environment that is business-oriented;
- ➤ demanding a lot from himself and having high requirements as to the skills of his colleagues and employees.

According to E. Mondal (1994: 74), in terms of motivational theory, entrepreneurship means the function of individual characteristics (instincts, needs, especially the need for achievement, striving for success) and characteristics of the situation and environmental factors (level of socio-economic development of the society).

According to T. Gruszecki (1994: 11-23), the entrepreneur undertakes activity for profit-making purposes, and entrepreneurship is the ability to undertake ventures. Gruszecki believes that the enterprise — and therefore the entrepreneur - in the market economy is the basic active entity. The role of the state is to act as a defender and an enforcer of the rules of property, economic freedom and competition, and therefore rather passive. Gruszecki compares the entrepreneur to the core, which groups elements creating a company on the market. Even if the entrepreneur's concept as the core of the company should be given up, the theory of economics should return to the entrepreneur's concept (including von Thünen's) to justify who has the right to dispose of the remaining profit after paying for capital, work and management.



Independent performance of all activities related to operating the enterprise, characteristic for the beginnings of the market economy, meant that entrepreneurial functions were performed most intensively. Currently, the majority of people running one-person companies deal with collection and reallocation of production factors, management, planning, and introduction of innovations, and these are they who bear the risk. In larger enterprises (mainly in joint-stock companies) there is a specific blurring of these functions, as professional managers take control over companies (Noga, 1995: 691).

The essence of entrepreneurship is best considered by designing its types. In the scientific achievements of economists, many criteria for division of the concept can be found. For example, K. Łęczycki (2003: 85-93) distinguishes seven aspects:

- > ownership models (private, state, local government);
- ➤ place of implementation (local/over-local economy, national/foreign economy, agricultural/non-agricultural entrepreneurship);
- types of entrepreneurship (production, trade, service);
- > organizational and legal forms (enterprises, foundations, funds, associations);
- > types of entrepreneurship (registered, unregistered);
- > forms of entrepreneurship (corporate, individual, team);
- > entrepreneurial behaviour (elemental, evolutionary, ethical, systemic).

The private enterprise model is the most popular and widely presented in the literature. State entrepreneurship (ownership of the State Treasury) and local government entrepreneurship (at a municipal level) are often referred as public entrepreneurship. While state-owned entrepreneurship is characterized mainly by trans-local coverage, municipal enterprises operate primarily in the local environment.

When considering the types of entrepreneurship due to the place of its implementation, it is not necessary to explain the etymology of concepts of "national entrepreneurship" and "foreign entrepreneurship". According to different authors, local entrepreneurship is carried out on the scale of a commune or poviat, while supralocal entrepreneurship covers the area of at least one region. In this context, the concepts of agricultural and non-agricultural activities deserve special attention. Typical agricultural activity includes livestock breeding or field production. Among the alternative agricultural activities can be distinguished, for example, the cultivation of medicinal and spice herbs, the cultivation of mushrooms, and the breeding of forest animals. Entrepreneurial behaviours in agricultural activity lead mainly to farm modernization, changes in production technology, undertaking team activities, employment of surplus workforce in labour-intensive agricultural production, etc. In contrast, non-agricultural entrepreneurship is distinguished by non-agricultural entrepreneurship related or not directly related to agriculture. Non-agricultural entrepreneurship directly related to agriculture may take the form of purchase, storage or processing of agricultural products, mechanization services, supply of means of production, etc. Non-agricultural entrepreneurship not related directly to agriculture concerns activities carried out outside the farm, e.g. tourism, horse riding and hippotherapy, forest management, accounting and training services.

The types of entrepreneurship due to the business profile (e.g. trade) as well as the organizational and legal forms of entrepreneurship do not require further explanation. It is worth taking a closer look at the issue of undeclared entrepreneurship.

Undeclared entrepreneurship is usually referred to as illegal work; however, in literature (Powęska, 2007: 145-149) other definitions can be found, for example: black economy, shadow economy, hidden employment, underground employment, informal employment, the second economic cycle. Some researchers believe that the concept of entrepreneurship should be reserved only for legitimate activities (Kraśnicka, 2002: 16). Economists recognize both beneficial and adverse effects of the occurrence of unregistered forms of economic activity.

The shadow economy is most often considered as a negative phenomenon. Negative effects of undeclared entrepreneurship include (Mróz 2004: 245-246):

- lower revenues to the state budget caused by not paying taxes and social security contributions by entrepreneurs and employees;
- > uncontrolled income redistribution processes;
- > increasing transaction costs in the economy;
- reating negative patterns of business ethics.



Apart from the negative effects of the shadow economy, it should be pointed out its positive effects (Mróz, 2004: 246):

- neutralizing the effects of unemployment by partially absorbing the surplus of labour supply in the official sector;
- > stimulation of consumption demand due to obtaining additional income;
- > opportunity to raise living standards of consumers and households;
- reduction of costs in private companies;
- > mobilizing the impact of competitive pressure on not very flexible and mobile enterprises in the official sector, which indirectly contributes to recovery and improvement of the economic situation.

Under the criterion of the form of entrepreneurship corporate entrepreneurship (intrapreneurship) can be found. It involves restructuring, introducing innovations or creating new business units within one organization (most often in large enterprises). Individual entrepreneurship usually takes the form of creating a micro-enterprise or introducing innovations there, while an individual entrepreneur bear the entire risk associated with managing the company independently. Team entrepreneurship, on the other hand, groups individual entrepreneurs who combine their activities to achieve a jointly defined goal (e.g. producer groups, cooperatives, network organizations, concerns). Undertaking cooperation between companies may be the result of, for example, lack of capital, expansion of the scope and scale of operations, changes in the organizational structure of the company, striving to increase the competitiveness of products offered by the company.

On the other hand, within the criterion of entrepreneurial behaviour, spontaneous entrepreneurship can be distinguished. It is characterized by a high degree of innovation and risk resulting from striving at all costs for success, often on the edge of the law. Evolutionary entrepreneurship is characterized by a gradual, multi-stage introduction of changes, as well as the improvement of professional skills by the entrepreneur. Ethical entrepreneurship consists in conducting activities in accordance with accepted values, legal norms and sociocultural principles. In the developed market economy, systemic entrepreneurship is a typical phenomenon, characterized by cleverness, innovation, state support and acting in accordance with the law.

The above-mentioned criteria for the classification of enterprises coincide to a large extent with the systematics of W. Adamczyk (1996: 13-17). In addition, he distinguishes, after P. Drucker, two aspects in the category of entrepreneurial characters — existing enterprises and new enterprises. In contrast, T. Kraśnicka (2002: 123) divides entrepreneurship into economic (conducted in economic organizations), including individual and internal entrepreneurship, and non-economic (found in public and non-profit sectors), including administration and social entrepreneurship.

Non-economic entrepreneurship is characterized by an attitude towards obtaining non-material effects of activity, although this activity can also generate material profits. Objectives implemented within non-economic entrepreneurship may have social, cultural or ecological character and they should be implemented at possibly the lowest costs (Kuciński, 1999: 8).

#### Conclusions

The 21st century has been a period of dynamic socio-economic changes in the world due to globalization, internationalization and expansion of organizations satisfying more and more varied customer needs. As the competition is growing, companies operating on the market have to continuously work on their development. The entrepreneurship has been combining knowledge, commitment and technology of the entrepreneur. Entrepreneurial attitude and behaviur allow to find yourself on the market and achieve success. That is why entrepreneurship has been the object of interest of many scientists, not only in the field of economics.

Despite considerable interest in the subject of entrepreneurship, there is no unambiguous definition of this phenomenon. A common feature of the proposed definitions is the combination of entrepreneurship and business. Multidimensionality of entrepreneurship emphasizes its importance in economic development, as it occurs in all sectors of the economy. In addition, small enterprises are the basis for local development (especially in rural areas), reducing unemployment, providing products to local markets, stimulating the local economy, and providing tax revenues for municipalities.

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