

# THE SITUATION AND EXISTENT PROBLEM OF ENTREPRENEUR GROUP CONSTRUCTION OF CHINA

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**Abstract:** Entrepreneur is the engine of sustainable development of the enterprise. Strengthening entrepreneur group construction is the necessary demand for establishing and consummating modern entrepreneur's institution and coming true economy development calmly and fastly. This paper analyzes basic status in quo of China's entrepreneur on the basis of definiting entrepreneur's meaning, points out the existent problem of Entrepreneur Group Construction of China.

**Key words:** China, Entrepreneur, Entrepreneur Group Construction

Entrepreneur as the excellent people of operating management is one kind of scarce resource which human resource capital value is higher, and plays an important role in economical society development. Strengthening entrepreneur group construction is the necessary demand for establishing and consummating modern entrepreneur's institution and coming true economy development calmly and fastly, and also is an another materially topic for the past reform of property of China's entrepreneur. This paper firstly definites the meaning of entrepreneur, then points out the existent problem and puts forward corresponding countermeasure aiming at status in quo of China's entrepreneur and existent problem.

## 1. DEBATING OF ENTREPRENEUR'S MEANING

Determining entrepreneur's meaning and standard is the basis of researching entrepreneur. Theorist haven't a very uniform words for entrepreneur's meaning, which is necessary to clear it in there.

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\* Received 21 March 2008; accepted 14 May 2008

The word of Entrepreneur is originated from France as early as 16 century firstly, which primary meaning is linked with adventure, it means that the people who leads military expedition need undertake the risk. Belliard, a writer from France in the middle period of 18 century, is the first people who defines the Entrepreneur with “the people who buys labour force and material with different price, but sells products with contract ”; Cantanon calls every people who engage in economical behavior as entrepreneur, and thinks entrepreneur’s function is taking in hand risk; Knight thinks entrepreneur should determine what to do and how to do in an uncertainty condition; Schumpeter thinks entrepreneur is a classical operating manager of enterprise, they carry out new combination of five aspects contained products, production pattern, market choice, resource supply and organization form etc in market competition, conducts innovative decision; Kirzner views entrepreneur as a broker, they can not only feel an opportunity, but also can catch this opportunity and create profit, in another words, entrepreneur have the “savvy” and “special knowledge” which are differed from others; Casson views entrepreneur is the people who is good at conducting coordinating and making wise judgement for scarcity.

Our country’s scholars also have many different points for entrepreneur’s meaning: “entrepreneur itself usually is a capitalist, the owner of capital only holds the priority of becoming entrepreneur, can guarantee the person who have entrepreneur ability to take up the position of entrepreneur, in the condition of operation talent which is difficult to observate directly, personal property can play an showance role for personal operation talent ..... when a rich man wants to become an entrepreneur, he must a person who owns ability.” Mao yunshi thinks entrepreneur must be the entrepreneur’s investor and original innovator, who own the controlling right; Wang cheng thinks: ”entrepreneur must possess basic abilty which contain the ability of finding production or servicing market, familiarizing and using producing element market, building up personal credit and persuading others to provide financial credit, and distinguishing different risk and working normally in the condition of high pressure, entrepreneur’s function just is creating enterprise”; Zhang wanding and Li yuan think: “entrepreneur have more stronger ability than normal operator just in one certain aspect or several aspects”. This paper adopts more extensive entrepreneur’s definition, mostly defines entrepreneur from the perspective of identity, namely, any person who occupies high position, in management level of operation decision, commands the right of operation decision and takes on entrepreneur’s risk in enterprise can be viewed entrepreneur.

## 2. STATUS QUO OF ENTREPRENEUR’S GROUP CONSTRUCTION IN CHINA

### 2.1 Culture Structure

The surveyed result shows, 10 years recently, the entire culture quality of China’s entrepreneur group has a more increasing extensively, standing out showing: the proportion of the college upwards is 69.2% in 1993, but 79.6%, 84.7% and 79.8% in 1995, 2000 and 2006 separately. In 1993, there is no entrepreneur who has master degree basically in China, but in 1995, 2000 and 2006, the proportion of entrepreneur with master has increased 1.7%, 9.9% and 17.6. Especially, in 2006, the proportion of entrepreneur with doctor occupies 1.5%. Details as table.

**Culture Construction Distribution of Entrepreneur Group (%)**

| Culture Degree          | 1993 year | 1995 year | 2000 year | 2006 year |
|-------------------------|-----------|-----------|-----------|-----------|
| Senior,Junior and Below | 30.8      | 20.4      | 15.3      | 20.3      |
| College                 | 35.3      | 37.5      | 40.1      | 35.6      |
| University              | 33.9      | 40.4      | 34.7      | 26.6      |
| Master                  | 0         | 1.7       | 9.9       | 17.6      |

Material Resource: China's Entrepreneur Survey System: 《Occupation Flow and Professional Trendency of Our country's Current Entrepreneur Manager》, 《Management World》 1995 (3); China's Entrepreneur Survey System, 《Economic Research Reference》2000(76); China's Entrepreneur Survey System: 《Entrepreneur Views Social Responsibility—2007 Report of China's Entrepreneur Growth Development》, Mechanical Industry Press 2007, 7

## 2.2 Age structure

Recent years, Age structure of China's Entrepreneur Group goes younger gradually. Result of China's Entrepreneur Survey System shows, mostly entrepreneur's age upper 40 is 92%; over 50 is 56.3%, age below 40 is only 8%. 2000 year, Result of China's Entrepreneur Survey System shows, proportion of entrepreneur group upper 56 is only 15.2% , entrepreneur below 45 is about 40%, amongst of them, entrepreneur below 35 is 5.6%. Viewing from different age, proportion of entrepreneur age from 46 to 55 is the most, taking up 47.3% of all entrepreneur group. However, in 2006, result of China's Entrepreneur Survey System shows, entrepreneur upper 56 is 25.5%, entrepreneur below 45 is 32.9%, proportion of entrepreneur age from 46 to 55 is still the most, up to 41.6%. Average age of entrepreneur is 48.9 in 2006, which is lower 0.2 than 2005.

## 2.3 Ability Quality

With the gradual progress of national enterprise, ability quality of our country's entrepreneur has increased gradually in market competition. Result of 2006 China's Entrepreneur Survey System shows, our country's entrepreneur thinks the three most stronger ability are: decision-making(61.7%), organization coordinating(61.6%) and innovative ability(33%), which explains entrepreneur has stronger confidence for holding market opportunity and coordinating entrepreneur inner operation; thinks the three most weakest ability are: tackling key problem(61.2%), marketing (32.4%) and expressing ability (31.4%), which is closer to culture degree of our country's entrepreneur and marketing degree of operation environment. The three "weakest" ability is closer to outer exploiting and market extending of entrepreneur, and the three "strongest" ability is closer to inner management of entrepreneur, which reflect the features of stronger inner management ability and weaker outer exploiting ability in the aspect of ability of quality our country's entrepreneur. However, early in 2007, one copy of "China's entrepreneur quality model" is out of stove, which research is based on asset size upper 10 billion in all supereminence fields of China. This is the first time that China's entrepreneur is scanned on a global ability quality platform, result shows there are four aspects to worry about: China's entrepreneur seems absent and not approved in organization ability construction, financial security protection ability, talent cultivation and hiving ability; Innovation ability of China's entrepreneur is severe deficiency for native market, especially for many lower revenue person market; Collaboration ability of China's entrepreneur high layer team is weaker, the role in strategy implementation for entrepreneur is not clear; The ability of extensive collection and research information for entrepreneur is highly deficiency.

## 2.4 Revenue Status

According to《enterprise law》· Establishing sound national entrepreneur performance evaluation system to come true salary structure focused on wage reward gradually. Connecting entrepreneur's salary reward really with their operation performance, operation effect and economy efficiency tightly, comes true annual salary system of national entrepreneur. Annual salary revenue of our country's entrepreneur shows ascending trendence totally. Proportion of annual revenue upper ten thousand, from 1980 to 1984 only 8.7%, from 1985 to 1993 up to 23.4%, and from 1994 to 1999 already up to 59.9%. Result of Entrepreneur Survey System shows, every kind of entrepreneur annual revenue upper 60 thousand, only 32.1% in 1999, and up to 80.2% rapidly in 2000. Recent years, annual revenue amplitude of our country's entrepreneur is more quickening obviously.

### **3. EXISTENT PROBLEM OF CHINA'S ENTREPRENEUR GROUP IN CONSTRUCTION**

#### **3.1 Entire quality of China's entrepreneur group should increase, excellent entrepreneur lack**

A long period of time, most our country's entrepreneur come from traditional planning economy institute, majority is chosen according to standard of government talent, oneself still has brand of old system more or less, addition to oneself quality not high, knowledge structure irrational, innovative awareness and market conception not stronger and operating management level not high, and the most regard economy efficiency, not strengthen study and increasing quality, so as to this time, influenced entrepreneur of China can be counted by one's fingers in international market, there is big gap between entrepreneur's number, size and building complete health society.

#### **3.2 Traditional dated thinking pattern blocking construction of entrepreneur group**

The deep cause effected construction of entrepreneur group is those disadvantage factors in China's traditional culture contained "officer standard idea", "art of monarch" and "way of oneself complete". Officer standard idea makes some entrepreneur to run enterprise with a thinking model of politicizing; Art of monarch which is good at controlling underling makes "mediocre person" and "flunky" of some enterprise useful instead, which is difficult to come true only the talent; Way of oneself complete makes part of entrepreneur settle for status in quo, which is difficult to come true great breakthrough.

#### **3.3 Unsound operating mechanical blocking construction of entrepreneur group**

Reformation openly 20 years, construction of entrepreneur group is still not ideality, which based problem is mechanical. Past, people ever canonize expertizer governing factory, able person governing factory, one product or one good factory director saving a enterprise. This is real, but didn't resolve sustainable development problem of entrepreneur in mechanical, and only establishing better mechanical can enterprise develop really, can entrepreneur grow really.

Operating mechanical contain mainly: The first, employing person mechanical not agility. Appointment of some reformed entrepreneur still adopt "nomination system". Lack of platform of fair competition and developing management ability, a certain extent, restricts exertion of talent potential, disadvantage excellent entrepreneur to show itself; The second, salary reward is not perfect. Salary, reward and encouragement pattern are not all rational, still not forms more work, more gains, agility free distribution system of embodying itself real worth of entrepreneur; The third, supervision restriction mechanical with outer law and inner performance is faultiness, performance evaluation and supervision restriction for entrepreneur haven't formed criterion.

#### **3.4 Construction of entrepreneur group occupation and market instability**

At present, construction of entrepreneur occupation and market is only limited theoretical exploring, mechanical of cultivating professional entrepreneur and collocating entrepreneur human resource through market is still unformed. Because flow pattern of entrepreneur in talent market is unformed, results in talent resource of entrepreneur not share and rational configuration. If entrepreneur resource not gaining market optimization configuration, then other resource demanding to come true optimization configuration will only be a hollow word, rational adjustment of products structure, industry structure and

enterprise organization structure will not be achieved, constructing a high quality entrepreneur group will be an armchair strategist completely.

### 3.5 Incomplete entrepreneur education training system

Our country's entrepreneur education training system is very incomplete, training devotion is very inadequate, in the first hand, condition of our country's management education training teachers is not quite suited to the requirement of entrepreneur group construction; In the other hand, at present, education training market is very confused, every kinds of organization possessing and not possessing condition are all engaging in education training, especially a city appears more than 100 MBA programme advertisement. Our entrepreneur inner investment of human resource capital is very shortage, education outlay of upper half of entrepreneur is less than 1% of total selling amount, most enterprise only extracts a bit of symbolizing education fee and training fee. Majority of entrepreneur hasn't received training of modern business administration knowledge.

### 3.6 Intolerant social environment

Our country is short of intolerant social environment of treating entrepreneur friendly. Society is making little of entrepreneur's innovation, can't treat loss of of entrepreneur intolerantly, constrains the exploiting innovative spirit of entrepreneur, press and media are lack of power for entrepreneur's propaganda, are short of respect, care and support, and are lack of social consensus atmosphere to provide correspondent social political status. This intolerant social environment, lead very large work pressurer for entrepreneur universely and unhealthy body, which block entrepreneur group construction.

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