



# Futures study in entrepreneurship management

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## ABSTRACT

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One of the today's world characteristics is change and one of the most important characteristics of change is freshness and modernity. So those are successful who do not predict the future but they will make it thoughtfully. Nowadays, taking the dynamic conditions of environment into account, financial, commercial, industrial, IT, administrative management, and such those are vital for the management of organizations, companies and institutions, however, entrepreneurship and innovation management can help making business and new markets; and one of the significant features of the entrepreneur manager is prospectiveness (looking forward). Because of the importance of this issue, the present paper would investigate the conceptual literature of futures study and entrepreneurship, their relationships, their effects on each other, and competitiveness of organizations; besides, it would answer what the role of futures study is in entrepreneurship management.

## 1. Introduction

Our world is the world of organizations, and people are the main players of this system. Organizations are meaningless and management is fictitious without people. They are the ones who make the organizations active and obtain the goals easily (Moorehead and Griffin, 2012). This is the human who make a new future changing the past course. One characteristic of today's world is change and one of the most important characteristics of change is freshness and modernity. So success cannot be achieved competing with the others just with the past experiences and resources and the risks of future events cannot be overcome. So, those organizations are successful that do not predict the future, but they build it thoughtfully. Those innovators are the ones whose motto is "we set the standards". As Pissanou Tiseh (1994) stressed the determining key of capabilities and abilities is that there would be no markets for them except enterprises or company controlling units. In other words, the capabilities and abilities are hidden capitals; because they have to be made and they cannot be bought (Right and Etemad 2003). So in order to accept the change in organizations and believe the need for freshness and modernity, organizations have to inevitably realize the freshness and modernity; besides they have to eradicate the dangerous element of their habits and beliefs. That habit which is the important orientation in decision-making patterns and creative solving of the problem is one of the effective elements in making the future in organizations; eradicating those barriers is one of the skills of pioneer and entrepreneur organizations. Investigating the world's crises and evolutions, we can conclude that future time would be present much sooner that we can think of; so its recognition would help us to transit from the present time to the optimal condition. In order to be able to predict the future, we should expand the power of our imagination. Peter Russell believes that most changes have not been predicted during the last a hundred years because they were much more beyond the imagination of the pioneers in the field of futures study (Khazaei and Mahmoodzadeh, 2013). So by removal of the obstacles, the world has entered a new phase of globalization. In that phase, all the companies have no choices rather than being more active and accepting the globalization features actively. So there would be no secure borders for the uncompetitive manufacturers even in the domestic markets; rival's competitive products can be produced in far away countries and regions and those products can break into the homes of the uncompetitive producers and be consumed. So making the companies competitive is not an alternative but it is the basic need and the main principle for survival of the companies along with the global firms in the present and future (Right, Etemad, 2003). In other word, making the organizations information and knowledge-based has been committed by entrepreneurship; and organizations have no other choices rather than considering and learning that for coping with increasing competition. The importance of the issue can play a significant role in accepting the change and approaching the freshness and modernity; so there would be a close relationship between studying the future and entrepreneurship, since both of them would come into reality seeking the optimization of the opportunities to achieve the competitive benefits. Although, the accuracy and illumination of further studies have been questioned, those studies will expand the effort to understand the maximum extent of the future ahead. Studying the future would link the entrepreneurship developments and should be taken more seriously. Studying the future is

the supplement to entrepreneurial fields; and developed countries in the world move ahead relying on futures studies (Jahromi 2009). The present paper aims to investigate the conceptual literature of the futures study and entrepreneurship; it also studies the relationship and effects of these two on each other and on competitiveness of the organizations. What role futures study has on entrepreneurial management would be answered.

## 1. Literature

### 1.1. Concepts and histories of futures study and Entrepreneurship

«Futures Study» is a Latin word. «Futures» is used in plural form because it utilizes a wide range of methodologies, and instead of imagining "just one future" it speculates systematically and intellectually not only "one future", but "several futures". Futures study includes a series of efforts that use the analysis of sources, patterns and causes of changes and stability to develop foresight and map the possible futures. Futures study reflects how the change (or not having any changes) of "today" would result in "tomorrow's" reality. In fact, futures study is the knowledge of molding the future, proportional to individual and organizational desires and aspirations (Khazayi and Mahmoudzadeh, 2012). «Entrepreneurship» is derived from the French word «Enterprender» meaning committing (Webster's New Collegiate Dictionary). This term was translated into English by «John Stuart Mill» in 1848; he defined the performance and functions of entrepreneurs as including guidance, supervision, control, and risk-taking and introduced the entrepreneurs as risk takers. An entrepreneur is someone who selects business while taking risks, organizes and smoothes it out and takes any measures based on specific knowledge skill and energy. Some experts consider the entrepreneurial behaviors and attitudes as entrepreneurship factor (Johnson, 2001). Man has always had a craving to predict the future even from ancient era. Foretellers and druids are some examples that tried to answer that enthusiasm among the common people. The first signs of people paying more serious attention to the future can be seen in the Age of Enlightenment. Futures as a public activity began in the sixties. Bertrand de Jouvenel wrote the first theoretical study on the future named «*The Art of Conjecture*». He pointed out there that "there is no reality about the future", and concluded that non-conventional methods are required for finding the evidence and implications for the future. Relatively a large number of books has been published on the subject, which some of them and some authors are introduced in this paper due to the limited space. One of them is *Future Shock* (Alvin Toffler, 1970). Alvin Toffler is known as one of the global pioneers of revolution and change. He has always been careful about not using the terms like "trend" and "prediction" in his writing and insisted that no one can exactly say what will happen in future. Toffler's especial work is presenting the change effects conceptually. His work is based on knowledge, technology, art and the ability to deal with the results that can be obtained when the complex technological and social changes affect the widespread interest and attitude. Michael Marien is the editor of Future Survey, a famous newsletter published by the World Future Society; he can be called as the best literature expert in future studies. Although, some authors ask for more images in the current era, he has divided the available images into two categories; he published his classical paper i.e., *two images of post-industrial society* in 1977. In that paper, he distinguished two categories divided as follows: first, those wishing to have a technological, rich and service society, and second, those supporting agricultural and decentralized society that is sensitive to the environment. Michael Farney and Lynn Jennings took a survey about the prominent Americans' views about the "attitudes towards futures study" in 60's and 70's. Those two compared the facts in 80's with the images presented before that and showed what the scholars have learned from the social and technological evolutions in 70's and 80's. The result of their work was compiled in a book called «*What I learned*». In 1961, Polak used the concept of "the image of the future" to analyze the ups and downs of civilizations. Polak focuses specifically on the image of the future. Communities having a positive image of the future likely to individual and collective wane and decadence and communities having a positive image of the future that are intuitive and natural will develop. Human, especially nowadays human, needs a positive image of the future to create a new future. The future is bright and we can have influences on it. Economists paid attention to entrepreneurship for the first time. The source of economical development is culture and society. After the classical school, a man called "Schumpeter" who was a member of German economic school introduced the entrepreneurship as the engine for the economical movement (Sayidi Kia, 2009).

### 2. The necessity of futures study in entrepreneurial management

Self-esteem, eagerness to find a result, risk-taking, leadership, creativity, and future orientation were mentioned among the characteristics of entrepreneurs (Applied Entrepreneurship Symposium, 1977). They know where they want to go and have the correct idea about the future of their organizations. The entrepreneurs may have to have a short-term and definite planning; so such a view could direct the short-term planning in order to achieve the coordinated target (Shah-Husseini, 1385). Entrepreneurial is a continuous and endless process; futures study like science and technology is considered by all countries and nations. It should be noted that many of the images of the future are «created prospects» to export to the developing countries which could not cope with the Futures Study nor could understand its necessity as a national duty. The aims of Futures study are to discover, invent, test, evaluate, and propose the possible futures that are feasible and preferable. Future researchers want to know which phenomena are feasible (possible future), which phenomena are more likely (probable futures) and which phenomena should occur (preferable futures) (Wendell Bell, 2003). Since the early 1980's, organizations showed great interest in creativity and innovation to accelerate the changes. Today, organizations need to be innovative to survive; so the best approach is to encourage creative people in the organization to become an entrepreneur. Organizational entrepreneurs fill the gap between the innovators and managers; they introduce new ideas and change them to beneficial facts; they have a strong lookout and have the courage to realize them; and finally they are capable to draw the entrepreneurial process from idea to action (Pardakhtchi, 2007).

### **3. The characteristics of the entrepreneur manager**

Stevenson and Gump have considered three general characteristics for entrepreneurs as follows: 1. having the power of imagination, 2. being able to take risk, 3. being flexible (Rahimi, 2004). Burins' studies show that innovation and entrepreneurship exist in all levels including administrative levels (managers and employers) and middle managers; besides, supportive behaviors can generally be observed at the level of top managers. These findings not only in private organizations, but also in the state organizations can be seen; but their intensity is less in the state organizations (Zampetakis, 2007). Entrepreneur managers react to the environmental restlessness and lack of confidence and they endeavour to build a strong strategic position. However, when they have a temporary position, they will try to achieve new opportunities faster than their competitors; they are alert and vigilant to potential threats (Moghim, 2004). Bilandalouk's research shows that the managers' understanding of strategic concept of entrepreneurship would notify them of their vital environmental factors. These factors include: identification of opportunities, innovation, risk taking, flexibility, organizational mission and growth. This would be possible by supporting elements such as coordinated strategy, trust in people, culture to access to excellence, increase of efficiency, cost reduction and knowledge transfer (Luke, 2006).

### **4. The relationship between futures study and entrepreneurship management**

Nowadays, considering the extraordinary progress, technology, and continuous widespread changes in the work and lives of people, no organizations and even no men could make sure that they would survive and flourish without a systematic futures study (Cornish et al., 2012). In order to win the competition in today's world, management theories suggest that the entrepreneurship approach is critical to create a strategy for the organization's success (Gangury, Lupkin and Kavin, 1997). The process of entrepreneurship in the companies plays an important role in the formulation of strategies and innovations. This kind of approach and way of thinking in the organizational people cause the organizational members seek the new opportunities in the market or try to get the customer's satisfaction by providing customers' needs (Mazroul veriboard, 2006). Time management is a tool for better living and achieving great results and a deep sense of satisfaction and perfection. Time management is a means which directs a person from the current position to the desired destination. In fact, it is a set of personal rules; if it is observed, it will make reaching to success which is necessary in life possible. By controlling the time, we can control the future at the same time (Tracy, 1944). Some facts were pointed out in the management philosophy of time; learning those facts would affect the prospective attitude of entrepreneur managers. The main points are: 1. Time Perspective (daily decisions and planning), 2. Thinking about the future and having short and long-term planning, because long-term perspective of goals will predict the person's social class, 3. considering the summit 4. Time is your most precious resource; poor work is the biggest way of wasting time. To do every program, time budgeting is one of the most important directors to achieve the desired results by the manager. An entrepreneur manager considers time management as the secret key to success in all cases (Shah-Husseini, 2007). Management and organization (as the important result of entrepreneurship) are the skill of working with others to use the material and human resources properly to approach the goal(s) of the organization with maximum outcome and minimum effort using the developed tools and techniques for appropriate planning, organizing, managing, and controlling, in the context of cultural environment and social mood in the organization and society. Organization is also the community in which two or more people start their work to achieve their common objective(s) – any objectives. In this case, the group work should be divided among the group members, their work should be coordinated and logical relation should be established among them. Otherwise, duplication and target tracking or individual goals will make reaching the common goal(s) difficult. Entrepreneurs and entrepreneur organizations have always tried to minimize their costs and plan based on their resources; they also think more about the things they don't know than things they have. Therefore, they take risks, tolerate ambiguity and value research. Therefore, belief is necessary in communities to have an entrepreneurial revolution since this kind of revolution is far more important than the industrial revolution in this century. Competition in international markets is seen as the domain of large companies. While small businesses remain in their local or regional activities. Generally speaking, relational management is the necessary part of international entrepreneurship (Etemad, Wright, 2003).

### **5. Conclusion**

Make the future happen much sooner than what will happen in future. The future is unpredictable and it is difficult to determine what will happen. So, flexibility and gaining sufficient knowledge to meet these uncertainties are important. A successful entrepreneur manager who wants to have his proper place in the international market and compete with rivals should have a good plan for the future. He plans the arrangement of human resources, financial resources, knowledge, information technology and so on based on immediate and ultimate goals of the organization and doesn't only focus on the immediate needs. ICT has created several changes in all social activities such as entrepreneurship and it has been considered as the most important tool of modern entrepreneurship. Entrepreneurship is necessary for technological development; and technological development is the platform for entrepreneurship. While HR managers maintain their relationship with technological development, it is essential to combine the issues that are relevant to their personnel roles with public economical and working issues. The main issue in the management and entrepreneurship domain is human. Forecasting the needs and planning based on them are considered as important issues. Recruitment process may require considerable time; and decisions which have to be taken hastily would have catastrophic results (Maling, 2001). Successful organizations and companies will be those that have the ability to attract and retain highly skilled employees. In such an important issue, those organizations should be able to compare what employees want and what employers are willing to give. Many of the educated forces in the Third World countries are educated and trained just academically and have to be managed by others; and other people who have entrepreneurship characteristics do not find the opportunities for entrepreneurship in those countries. Entrepreneurs can create some jobs in the field of technology for the professionals inside those countries; so due to job satisfaction made there, brain drain would be stopped in addition to all the benefits of entrepreneurship. In transition from the

traditional phase to industrial phase, individual capabilities and abilities of entrepreneurs should be considered specifically in order to get use of natural resources and apply modern technologies. In the current business environment, there are perhaps five key business challenges that should be investigated and foresighted: 1) globalization, 2) profitability through growth, 3) Technology 4) intellectual capital 5) and the most important part is change. Top talents are the key factor for the future in the economical knowledge i.e., the main source of competitive advantage of this resource should be developed. Today, due to the dynamic conditions of the environment, the financial, commercial, industrial, IT, administration management, and so on are as much vital for the management of organizations, companies and institution as the presence of entrepreneurship and innovation management along with them can help the businesses and new markets.

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