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## Analysis Of Business Theory In Entrepreneurship Activity

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**Abstract:** This research is a literature study that discusses Business Theory in Entrepreneurial Activities. In this research literature study, there is a use of theory in entrepreneurial activities. The business in this study focuses on business feasibility and business growth in entrepreneurial activities. The study results show that the importance of the usefulness of business theory in business feasibility and business growth. The next interesting research to be developed as research is the Analysis of Human Resources Business Theory in Entrepreneurial Activities.

**Keywords:** Literature Study, Business Theory, Entrepreneurial Activity

### INTRODUCTION

Entrepreneurs are the most decisive factor in the economic growth of a country that is capable of innovation and creativity, and for a country to be prosperous, at least 2% of its population needs to be entrepreneurs (Wibowo: 2011). The existence of entrepreneurial growth will bring tremendous economic improvement to a country, so that the more a country has entrepreneurs, the more its economy will improve (Nurul, I. N: 2015). Efforts to grow entrepreneurs are followed by the use of business theory in business feasibility and business growth. So that in entrepreneurial activities, business theory is needed which is expected to grow business and business feasibility.

Human Resource Management is a function within an organization that focuses on recruiting, managing, and providing direction for the people who work in the organization. People who work for a company are one of its main assets and one of the factors in determining its progress. The quality of workers, attitudes and behaviors in the workplace, along with other factors, play an important role in determining the success of the company Hashemi, K (2012). A significant relationship between human resource functions, resource management and entrepreneurship. Human resources in organizations are the main principle of the organization and the existence of a competitive environment, optimized using the mental and executive power of employees to strengthen innovation and creativity

Hassanpour, A., et al (2012). In this literature review, the research focuses on Analyzing Business Theory in Entrepreneurial Activities. From both theories have shown that human resources play a very important role in entrepreneurial activity. Where in addition to human resources, financial and organizational perspectives, and business ethics are still closely related to entrepreneurial activities, so that this literature review is needed further.

## LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT

Entrepreneurship is an important issue in the economy of a developing nation. The economic progress or decline of a nation is largely determined by the existence and role of this group of entrepreneurs (Rachbini: 2002). Peter Drucker (1993) states that the entire process of economic change ultimately depends on the person who causes the change, namely the "entrepreneur". Most growing and innovative companies exhibit an entrepreneurial spirit. Corporations are trying to encourage their managers to become entrepreneurs, universities are developing entrepreneurship programs, and individual entrepreneurs are causing dramatic changes in society. The successful development achieved by Japan has been sponsored by entrepreneurs who make up 2% of the medium level, small entrepreneurs make up 20% of the population. This is the key to the successful development of Japan (Heidjrachman Ranu, 1982). The number of entrepreneurs in Indonesia is still small and the quality can not be said to be great to sustain the economy, so the issue of entrepreneurship is an urgent issue for the success of economic development in Indonesia.

### Financial And Organizational Perspectives On Small And Medium Enterprise Groups

Interest in studying business groups has recently grown, as a result of increased awareness of their widespread presence and economic importance in both developing and developed countries. This study defines business groups based on ownership and control relationships and will not deny the importance of other forms of relationships between firms that are not based on ownership relationships (Granovetter 1995) so that theory can be useful for the advancement of entrepreneurship in Indonesia. In order to achieve the goal, small and medium enterprises must be able to organize both human resources, financial management and the ability to control finances so that the financial perspective is indispensable for the progress of small and medium enterprises in Indonesia.

The results of research by Enrico Guzzini, Donato Iacobucci, Peter Rosa (2012) suggest that financial and organizational perspectives can be seen as complementary in explaining business groups in the small business sector. In particular, financial explanations fit the data in predicting the prevalence of capital-intensive firms in business groups while organizational explanations fit the data in predicting the presence of knowledge-intensive firms in business groups. In addition, the organizational perspective seems to be more appropriate when the diversification strategy of the business group is concerned and when explaining the ownership structure of the firm is controlled for.

## METHODS

This research method uses a qualitative method in its study. This is based on consideration of the depth of research results related to meaning rather than generalization, so that researchers maximize in terms of observations and interviews, both with regard to the relevance of the content of the questions to the study, as well as related to the accuracy of

the respondents. At this stage the author also conducted research on the effectiveness of the use of internet technology in the search for knowledge and skills for residents supported by reference books and the results of previous similar research that has been done by others. The aim is to get a theoretical basis for the problem to be studied. This theory is intended as a foothold for understanding the issues under study correctly and in accordance with a scientific framework.

## RESULT AND DISCUSSION

In its development, business ethics is no longer a burden that companies are forced to implement but has become one of the company's development strategies starting from strategic planning, good organization, transparent procedure system supported by reliable corporate culture and corporate ethics that are implemented consistently and consequently. The company's actions come from the choices and actions of individual human beings, these individuals should be seen as the main guardians of moral obligations and moral responsibility: individual human beings are responsible for what the company does because the company's actions as a whole flow from their choices and behavior. choices and behaviors.

The application of business ethics in entrepreneurship reflects the involvement of non-value driven socio-economic enterprises today, which have been greatly neglected. This keeps companies in line better and makes them contributive players to sound business practices. For example, the prospect of income is more likely to exaggerate the desire of most entrepreneurs to engage in logging, unethical transactions. This forces them to cheat, lie, steal and deny others their rights to earn double the income. Thus, the application of business ethics is very important in entrepreneurship. The application of business ethics that should be carried out today is to be responsible for all the activities of the company it runs, both now and in the future. The responsibility of an entrepreneur is not only in material terms, but also morally to various parties. Commitment to various parties. Develop and maintain good relationships with various parties, both those directly related to the business being run or not. Good relations that need to be carried out, among others, to: customers, government, suppliers, and the wider community. good business decisions can be measured by many things in business on entrepreneurship.

The results of research by Hick, Stephen R.C. et al (2009) suggest that the basic values and virtues of entrepreneurs are responsible and productive people who create value and trade with others for profit. The entrepreneurial process begins with informed and creative ideas for new products or services. The entrepreneur is ambitious and dares to take the initiative in developing the idea into a new company. The entrepreneur's commitment to action, despite a conscious fear of risk, connects to the virtue of courage. Entrepreneurs who achieve success, including financial and psychological rewards for creating a thriving business, connect to the common moral virtues of flourishing, happiness, and fulfillment. Thriving, or happiness, is the the state of living a successful life.

## CONCLUSIONS

Based on the above literature study, it can be concluded that the financial and organizational perspectives of small and medium-sized business groups can be applied to entrepreneurial activities. Because in this day and age small and medium enterprises get special attention from the government to improve the economy in Indonesia, the financial perspective is seen as vital to the progress or failure of small and medium enterprises. The key strategic steps in organizing a business, a review of some basic entrepreneurial facts can be applied to entrepreneurial activities. Because in this 21st century era, strategic measures are needed to analyze the environment, and identify opportunities that can enable entrepreneurs to develop and take advantage of competitive advantages.

Studying the effect of human resource management functions on entrepreneurial organizations, it can be concluded that Human Resources (HR) is a central and important sector in order to achieve goals in a company, because with the ability of skills possessed by HR / workers and the quality of HR can move the company properly and correctly. Business ethics can be learned from entrepreneurship and can be applied because business ethics in the company has a very important role, namely to form a company that is strong and has high competitiveness and has the ability to create high value, a solid foundation is needed. So it can be concluded that the responsibility of an entrepreneur is not only in material terms, but also morally to various parties. Commitment to various parties. Develop and maintain good relationships with various parties, both those directly related to the business being run or not. Good relations that need to be carried out, among others, to: customers, government, suppliers, and the wider community. Good business decisions can be measured by many things in business on entrepreneurship.

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