

Entrepreneurship and innovation management in emerging economies: a review

El espíritu empresarial y la gestión de la innovación en las economías emergentes: una revisión

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Abstract

The findings of a comparative research study on entrepreneurial activity in developing economies are presented in this report. It focuses on providing the core knowledge necessary for business owners to succeed in the present business climate.



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The regulatory Framework associated with innovative entrepreneurship and the elements that affect entrepreneurship and innovation has been investigated as part of this study. Several factors influence the actions of individuals who have the potential to become business owners. These elements range from the initial impulse of becoming an entrepreneur to the con, as well as the aspects that affect entrepreneurship and innovation and tacts required to help solve difficulties as the business gets off the ground and expands. This study aims to determine the primary elements that either encourage or discourage entrepreneurial activity throughout the early stages of the entrepreneurial process in developing economies.

Innovation and entrepreneurship management have become critical to the long-term success of any business. A global phenomenon and order of the day in this century is entrepreneurship, which can fuel the economic growth of a country and has genuinely become a socially and economically phenomenon across the globe. Innovation and entrepreneurship management are critical competitive advantages to succeed in today's globalized world. According to research, a company must have strong entrepreneurship and an equally vital innovation component to thrive in today's dynamic and constantly changing environment.

Keywords: innovation, Entrepreneurship, management, business.

Resumen

Estos documentos presentan los resultados de un estudio de investigación comparativa sobre la actividad empresarial en las economías en desarrollo. Se centra en proporcionar el conocimiento básico necesario para que los empresarios tengan éxito en el clima empresarial actual. El marco regulatorio asociado al emprendimiento innovador y los elementos que afectan el emprendimiento y la innovación han sido investigados como parte de este estudio. Varios factores influyen en las acciones de las personas que tienen el potencial de convertirse en propietarios de negocios. Estos elementos van desde el impulso inicial de convertirse en emprendedor, así como los aspectos que afectan el emprendimiento y la innovación y los factores necesarios para ayudar a resolver las dificultades a medida que el negocio despega y se expande. Este estudio tiene como objetivo determinar los elementos principales que fomentan o desalientan la actividad empresarial a lo largo de las primeras etapas del proceso

empresarial en las economías en desarrollo. La gestión de la innovación y el espíritu empresarial se han vuelto fundamentales para el éxito a largo plazo de cualquier negocio. Un fenómeno global y determinante en este siglo es el espíritu empresarial, que puede impulsar el crecimiento económico de un país y se ha convertido genuinamente en un fenómeno social y económico en todo el mundo. La gestión de la innovación y el emprendimiento son ventajas competitivas críticas para tener éxito en el mundo globalizado de hoy. De acuerdo a la investigación, una empresa debe tener un fuerte espíritu empresarial y un componente de innovación igualmente vital para prosperar en el entorno dinámico y de constante cambio.

Palabras clave: innovación, espíritu empresarial, gestión, empresa.

Introduction

Innovation can be regarded as one of the fundamental prerequisites for business entrepreneurship in today's business environment. The effective administration of innovation aids the company in achieving its strategic objectives (Singh & Gaur, 2018). Managing the organization's innovative practices is known as innovation management. The ideation phase of the process starts at the very beginning and lasts through to the project's successful completion. The actions, judgments, and procedures involved in developing and effectively executing an innovation strategy are referred to as innovation management. Creating a business that allows corporate entities to make a profit can be characterized as entrepreneurship. The current study will help the researcher determine the strategic and competitive advantages business entrepreneurs have as a result of innovation management and how invention management systems can help entrepreneurs reach their business goals and objectives, especially in emerging economies (Leonidou et al., 2020).

This research report aims to examine how entrepreneurship and innovation management benefit businesses. The research report allows the researchers to learn more about innovation management's role in creating new business plans and ideas for increasing profitability. The research also intends to investigate how innovation management implementation might assist business owners in effectively and

efficiently achieving their objectives. Analysis of the function of innovation management and entrepreneurship in the effective operation of the firm is thus the broad overall project objective.

Finally, the scope of the project is broad since the conclusions drawn from the literature research analysis can be used in business, highlighting the significance of innovation management and entrepreneurship in the corporate world. Companies that use conventional business practices can understand the advantages of innovation and execute it properly inside their organizations. The project scope aids the entrepreneurs in determining the many restrictions that prevent the project's ramifications and conclusions from being applied. The overarching broad range of the project is the knowledge gained during the research study and its suitable application inside the business.

Literature Review

According to Berger et al. (2021), "innovation management" is the proper administration of all the tasks necessary for businesses and entrepreneurs to introduce new and improved products. As a result, it entails coming up with new ideas, developing them, and implementing them as soon as possible. Examples of these activities include introducing new products or internal business procedures. Capabilities, strategies, culture, and structures are at the heart of innovation management. Since innovation inside business businesses is made possible by the powers of the individual and the teams, the capacity element of innovation management is linked to people. The talents also include the distinctive perspectives of personalities, practical abilities, and the technical expertise that people who work for the organization have.

According to Haefner (2021), besides the financial capital assets necessary for innovation development and its correct management, knowledge acquisition and information capital are also some areas included within the capacity component. Haefner (2021) argues that an efficient structure is yet another crucial prerequisite for the business's ability to utilize its new skills and competencies. In actuality, the infrastructure, corporate frameworks, and organization structures of the company enterprise comprise the bulk of the structural component. The proper installation

functions as a force multiplier, making it much easier for the company organization to welcome innovation and run as needed. For instance, only concepts with the required infrastructure, decision-making process, and communication channels can claim the top spot on the list of priorities of innovative ideas.

According to Aslam et al. (2020), the organizational culture is also a crucial component of innovation management since it affects how well people can learn new skills. The presence of an innovation-friendly culture makes it possible for businesses to bring in the best candidates. The culture supports the development of acceptable behavior while discouraging unacceptable behavior. The culture has a significant impact on how innovation is managed. The culture emphasizes trying novel approaches to improving and progressing and values quick learning and experimentation. According to innovation management, a thriving culture allows people to embrace their mistakes and failures and sees it as a regular activity within the innovation management process. The culture offers appropriate flexibility and responsibility and is fundamentally driven by the desire to do something new rather than adhering to the predetermined chain of command.

In agreement with Hampel et al. (2020), the innovation management approach aids in implementing the plan for achieving long-term success inside the firm. The strategy's primary goal is to help the business choose the most acceptable alternative or idea from a wide range of workable options. According to the relationship between strategy and innovation management, innovation aids business firms in achieving their strategic goals. Sometimes, an "accidental" creation might offer unmatched opportunities that change the business's overall strategy. Business companies must be given the necessary independence to innovate and benefit the country,

According to Ahlstrom et al. (2018), entrepreneurship is the willingness and ability to create, direct, and organize a commercial enterprise to take on the risk necessary to make a sizable profit. Starting a new business is the most typical illustration of entrepreneurship. The essential components of entrepreneurship are the inputs—labor, land, capital, and other natural resources—that enable people to generate a particular number of profits. A sufficient amount of risk-taking aptitude and inventiveness can be used to identify the entrepreneurial spirit. Additionally, business

entrepreneurs who have developed their entrepreneurship skills and abilities can improve their country's competitiveness and success in the internationally volatile market.

In agreement with Lewrick (2019) point of view, innovative entrepreneurship is significant and essential for reducing poverty, fostering economic growth, and creating jobs. As a result, firms are better able to tackle social issues. Policymakers actively pursue innovative entrepreneurship to revive growth and overcome the global financial and economic crisis. Creative entrepreneurship confluences three key areas: young, rapidly expanding firms, innovative businesses, and small and medium-sized enterprises (SMEs).

Factors affecting entrepreneurship

Capital

The level of development of a country's financial markets significantly impacts how quickly entrepreneurship grows in a particular area. Entrepreneurs need money to launch hazardous businesses and also need it right away to expand them swiftly if their ideas prove to be successful. So, nations with well-developed systems for delivering finance at every stage, such as venture capital, private equity seed capital, , and well-developed stock and bond markets (TurPorcar et al., 2018).

Labor market

For practically any product or service, labor is a crucial production component. Therefore, the success of the entrepreneurs depends on the accessibility of skilled workers at affordable rates. However, labor has now become unionized in many nations. They compel the business owners to pay them more compensation and forbid other employees from working for less money. Due to the increase in production costs caused by this, entrepreneurship is negatively impacted.

Thanks to globalization, entrepreneurs now have the freedom to relocate their businesses to nations with more hospitable labor markets hence the cause of the sharp increase in entrepreneurial behavior in countries like Bangladesh, China, and India (Herddijono et al., 2017).

Infrastructure

Some services are necessary for practically every industry to prosper. These include transportation, energy, and other services. These services can be considered the infrastructure needed to establish any firm because they are fundamental. As a result, if any nation concentrates on improving the effectiveness services mentioned, this will likely affect the enterprises of practically all entrepreneurs in the vicinity. As a result, entrepreneurship proliferates in nations with sophisticated infrastructural systems, and the converse is also true (Canedo et al., 2018).

Of course, the list of factors above is not all-inclusive. It would be impossible to summarize entrepreneurship in a few main points adequately. The list above does, however, give a general idea of the kinds of circumstances that may be significant (Jablonska & Stawska, 2020).

Raw material

Natural resources used as raw material are a vital component of any enterprise, much like labor. This raw material can be purchased on the market in various nations for a reasonable price. However, in some nations like Asia and Latin America, selling cartels seize complete power over these natural resources. They usurp the majority of the income that the businessman can make by selling the raw resources at inflated costs. As a result, countries where the supply of raw materials is problematic see a gradual decrease in the number of entrepreneurial endeavors.

Key policy dimensions for developing innovative entrepreneurship

Access to finance

Youssef Boubaker & Omri (2018) state that the given policy dimensions are mainly concerned with proper access to the funding required to launch and establish the firm. Financial leverage, angel investors, venture capital, and a few more types of financing are some of the numerous financial resources that might be helpful for the entrepreneur. Additionally, this covers the alternatives for joining and leaving the market. Economic factors significantly influence new, innovative companies' development, expansion, and survival, and they are so that businesses can invest in

creative projects that are highly productive and satisfy market demand. Proper access to financing makes this possible.

Access to knowledge

The knowledge component of the dimension encompasses knowledge connected to public, academic, and private knowledge that enables creative entrepreneurship. Adequacy of access to information includes technical collaboration across organizations, the interaction between academia and industry, and investments in R&D and innovation. Access to knowledge also refers to the Internet and technology (ICT) and the intellectual property system. Since knowledge is the primary source of opportunity for innovative entrepreneurship, having proper access to it is essential (Dalmarco et al., 2018).

Market environment

The dimension of innovative entrepreneurship, according to He, Lu & Qian (2019), primarily deals with various market areas of development, such as access to the home economy, access to the global market, the level of play, trade restrictions associated with the product, as well as public procurement. Market access and development are crucial for innovative entrepreneurship because they help businesses recognize the opportunities to determine their future success or failure.

Access to skilled labor

The labor policy dimension covers the conditions business entrepreneurs need to acquire highly trained people capital, including the laws and regulations that significantly impact the price of hiring and firing employees and the price of immigration and hiring talented workers (Grillitsch & Asheim., 2018).

Regulatory Framework related to innovative entrepreneurship

This aspect is concerned with the government's public policies and regulations that may impact innovation and the early stages of the establishment of innovative organizations, such as the Framework established for the growth and entry of new

businesses as well as laws governing taxation and bankruptcy (Polydoropoulou et al., 2020).

Entrepreneurial capabilities and culture

This dimension primarily considers sociological and cultural infrastructure, such as entrepreneurship attitudes, business support infrastructure, experience, and essential entrepreneurship abilities. Entrepreneurial skills are crucial in market entry and the establishment of profitable commercial operations (Nicotra et al., 2018). The dimension is also helpful in assessing one's aptitude for spotting opportunities, managing new ventures successfully, and inspiring innovation to pick up on and adjust to unique settings and circumstances. Additionally, the culture impacts innovative entrepreneurship by affecting the number of people who start their businesses. Hoffmann & Prause (2018) noted that integrating efficient innovation management presents several difficulties for commercial organizations and entrepreneurs. If significant errors are made during the early phase or essential decisions are not made at the appropriate moment, the entire innovation management process is impacted and may experience issues. As a result, business owners must take into account the following success factors:

Management's commitment to innovation:

Since the dedication of managers at all levels (from top to bottom) constitutes the cornerstone of the innovation management process, it is a critical success criterion for innovation management. The essential conditions necessary for the success of innovation management are enough to support budgets and time.

Conclusions

As was indicated before in "Innovation and business in business," the research helped us gain a better knowledge of the significance of innovation and entrepreneurship to the success of commercial firms, as well as how these two factors contribute considerably to that success. We have extensively addressed not only the benefits but also the challenges that come along with process innovation. We have also investigated its role in the growth of entrepreneurship. The presented research project also lists the

essential success factors for innovation management and entrepreneurialism. In addition, the study project offers a comprehensive analysis of the objectives and parameters of the effort.

The principles of entrepreneurship and innovation are inextricably linked to the process of economic and social advancement. Businesses have an essential part to play in bringing together various variables of production entangled in multiple approaches to innovation, technology, and entrepreneurship. This particular sort of inventiveness helps to drive economic growth while also serving the common good. To succeed in the 21st century, innovation must break free from traditional ways of thinking about business and extend to contemporary management practices. These practices aim to strike a balance between the needs of companies and the needs of society as a whole. The conceptual frameworks for entrepreneurship have been vividly displayed in this research, demonstrating a critical grasp of global entrepreneurship, innovation, and sustainability difficulties and challenges in corporate operations.

Discovering new goods, lowering costs, and drastically improving the development process are all possible outcomes of effectively managing and fostering innovation. Organizations that do not embrace innovation management run the danger of offering outdated solutions to their respective markets. The capacity of a business to remain one step ahead of its rivals is hindered as a result of this.

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