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## **INNOVATION & ENTREPRENEURSHIP**

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**Abstract:** This research paper came to talk about innovation and entrepreneurship as two concepts that have spread in the recent period, as through a review of previous studies and articles in this regard, I tried to provide a simplified definition of the terms “innovation and entrepreneurship”, and then clarify the relationship between them and their types according to recent studies, so that the matter does not get mixed up. As is common, the impact of each of them on the economy has been determined. The review of selected previous studies showed that the concept of innovation and entrepreneurship did not take a sufficient percentage of studies and research, so related topics were added to stimulate work on them in the future.

Keywords: innovation, entrepreneurship, economic, policy.

### **Introduction:**

Over the last few decades, significant advances, even breakthroughs, have been made in our understanding of the relationship between entrepreneurship and innovation. Similarly, more profound insights into the interrelationships of entrepreneurship, innovation have been gained. However, a comprehensive understanding of the interaction between innovation, and entrepreneurship, remains lacking. The relationship between the microeconomic origins of growth and the macroeconomic the result is still too modest to comprehend the full scope of these interacting forces. The primary goal from this literature study is thus to shed light on recent advances in our recognition of the forces that support conceptual and practical development of the role of the entrepreneurship and innovation process. This survey concludes with the policy implications of recent research findings, building an organization that can influence power of entrepreneurship and innovation is particularly important in terms of economic outcomes. All of them have to do with the dissemination of knowledge through efficient entry. The incentives that stimulate the mechanisms of transforming entrepreneurship and innovation into useful economic and societal needs must be matched by incentives that lead to the creation of sustained growth.

The primary objective of this paper is to provide insight into the ongoing progress in how we interpret the forces of entrepreneurship and the formation of innovation. This review concludes, so stop publishing recommendations for the variables recommended to conduct studies and research on entrepreneurship and innovation and their impact on the economy and business development, in addition to clarifying the types of both entrepreneurship and innovation and measuring the impact of each type.

### **Objective:**

To give simple prospection of innovation and entrepreneurship definitions, types, relationship, effects on economy growth and required future studies determinations. All that based on previous literatures and articles made in this field.

### **What's the Innovation & Entrepreneurship?**

The terms of innovation and entrepreneurship are frequently used, but not always in the same context. Both areas have an obvious strong relationship, but it is barely articulated. Furthermore, there has been little agreement among researchers regarding innovative and entrepreneurial activities in general, particularly when it comes to precise definitions.

Simply, Innovation is doing something in an inspirational and unfamiliar way or creating a machine or idea to do tasks in a unique way. Innovation is a term that is very much used in the business world, and most companies associate innovation with high risk. It means something that is risky, expensive and time-consuming. As a modern device, a new product or device. It's a state of mind, a way of thinking that extends beyond the present and into the future. Innovation is necessary for companies, and when done properly, it can be practical, strategic, and technical management. Innovation in the simplest definition is the mechanism of creating and combining ideas in order to make a relationship to link between current achievements and previous experiences in order to treat with a future problem. (Stenberg, A,2017)

**Entrepreneurship** as a holistic concept consisting four approaches (psychological characteristics, Economic, Management and Intrapreneurs- hip). Each approach offers unique insights into various aspects of entrepreneurship, as well as measurement tools. Individuality is essential in entrepreneurship. Possesses command of the means of production and People who are exposed to risk and uncertainty. People who create and innovate. People who add new value to the world. People who identify and/or capitalize on opportunities, as well as those who take risks, supervise, control, and direct the firm Risk administration Values promotion and protection People who collaborate to promote innovation within an organization Each of the preceding approaches provides unique insights into various aspects of entrepreneurship..( *Kusumsiri, S & others, 2013*)

#### **Relationship between innovation & entrepreneurship**

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now a days Entrepreneurship and innovation are ver popular terms. they have been and will continue be considering as one of the very important factor that have provided developed and developing countries with a higher level of development countries with economic and social transformation, The findings revealed and approved of existing a long-term relationshipthat that was between innovation and entrepreneurship, but no such indicator in the short term. Thus, increasing the business ownership rate by 1% will increase private sector research and development expenditure by 5.9 %. (*IŞIK,& others, 2016*)

Today, the concepts of “innovation” and “entrepreneurship” are used interchangeably and interchangeably in the global village. Some people think that they are two terms with the same meaning, but this is a huge mistake. While the concepts are close to each other, a distinction must be made between them. Harnessing your creativity to create a unique idea or solution is what innovation is all about. It is a technological, mechanical, or manual intellectual transcendence that allows tools to do things they have not done before. You have a motor, tires, other equipments, and you collect them together to make a vehicle. Innovation is essential to progress, and it is not surprising that innovators are great and very rich.

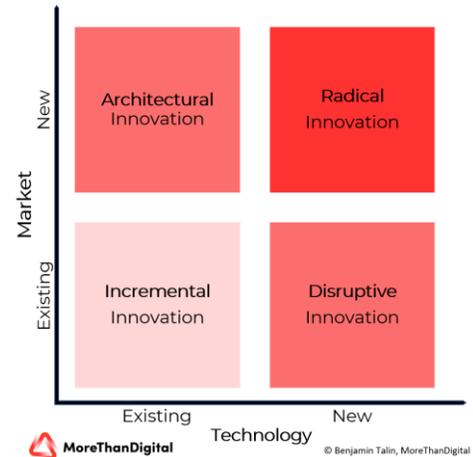
The characteristics of an ambitious entrepreneur include risk-taking and efficiency in spotting opportunities, as well as withstanding minimal bureaucratic challenges and other procedural obstacles. Countries often blame business officials for supporting the idea of taking on financial, social, or occupational risks. While entrepreneurs often risk losing their jobs, it is innovators who take risks, deal with the status quo, and take on challenges.

Always. Innovators achieve this by persisting with success by asking questions or assuming seemingly uncoupled problems or ideas from various fields. For a company to stay at the heart of its industry, it must have supervisors who are both organizing and creative. While the entrepreneur is aware of how decisions are made, the innovator is aware of how to transform them to function for a purpose. For a company, innovation is always a teamwork. A company that does not create or stimulate innovation will not ultimately succeed. (*Suliaman Turay,2016*).

### Types of innovations and entrepreneurship:

Types of innovation were determined by “Benjamin Talin” into four types:

- 1- **Incremental Innovation** (current technology, current market): It can be considered as the most common type. Practice technologies currently available in the market. Its purpose is to improve the current landscape by providing modern powerhouse traits and bringing changes to the core of the idea ...etc.
- 2- **Disruptive Innovation** (New Technology, Existing Market): The use of new technologies, practices, or stagnant business models on existing industries is often called disruptive innovation. New technologies and business models are less effective than existing solutions from the start, but after re-try, they show results that are superior to existing models and prove their dominance over the market because of their efficiency and/or effectiveness.
- 3- **Architectural Innovation** (Existing Technology, New Market Currently, architectural creativity is emerging with technical moths such as Amazon, Google, and many others. They use their technology expertise and skills on a different market environment. This allows them to expand and penetrate other markets and increase the number of their customers.
- 4- **Radical Innovation** (New Technology, New Market): This is the most common way of innovation in most people's view, but the rarest. Improving technologies, applications and business methods that lead to expanding markets and opening up a completely new market is what calls for radical innovation. ( *Benjamin Talin,2021*)



### Types of entrepreneurs:

Entrepreneurship has traditionally been divided into four categories: small businesses, scalable startups, large corporations, and social entrepreneurs. These models cover the fundamentals of starting a business and place a greater emphasis on the organization as a whole rather than the entrepreneur's personality. However, business evolves in lockstep with the rest of the world. This means new opportunities to take risks and change the rules of the innovative game in order to pave the way for a variety of entrepreneurial opportunities.

Taking into account that there are few similarities in the challenges that all employers will face, there are different types of entrepreneurship determined by the entrepreneur's skills, characteristics, and personal characteristics. At the end of the day, it is the way you choose to run your business that distinguishes it from others. (Cecilia Blasbalg, 2021)

### Innovation & Entrepreneurship as an Engine of Economic Growth:

We live in a time when entrepreneurship and innovation are everywhere. However, many of indicators growth of economy indicators, for example growth of productivity and business dynamics, was in very low level at best in last few years . The solution to this obvious paradox is a huge disparity between sectors, with some experiencing strong innovation and entrepreneurship while others are stagnant. innovation and entrepreneurship impacts on all economic indicators performance is the sum of their effects on individual sectors, as measured by construction. Thus, understanding the overall economy's growth potential is dependent on understanding the growth potential of each individual sector. (Andrews, M & others 2022)

Does innovation change the work in the future? a team from Massachusetts Institute of Technology gave an image about the work of the future, at the time that innovation will make some employees losing their jobs its also creating new jobs and wealth, so all need to shape the affects for total benefits. Motivating the countries to take the responsibility toward innovation policies that is aimed toward making economic returns, there is a need to steer

innovation toward comprehensive benefits. be high considerable in seeding innovation, generating economic growth, building areas of educational and research excellence, and spurring new work creation. The recommendations were to Increase and direct research spending to luckyless areas that suffering from the private sector ignoring, give assistance to medium-sized and small businesses expand the geography area of innovation. (David, M., & Reynolds, E., 2020)

According to a 2017 report prepared in the Enterprise Resource Center for Research Gateway (GTR) database, the results showed that companies that were awarded grants by UK Research Councils (including Introdunct UK) led to higher The rate of employment and job change in it by 5.8-6.0% in the three years from the date of providing financial support if compared to those that did not receive support, and by 22.5-28.0% rapid growth in the six years after the date of financial support. Also, after 6 years, the productivity increase amounted to 6.2 percent. UKIS Innovation Test analysis reveals for the first time the causal relationships between design, the diverse categories of creativity, and productivity. Most companies that work in the field of design are based on innovations in both products/services and processes. (Epstein, M & others,2018)

A study about long-term relationship between creativity and economic growth per capita in 19 European countries from 1989 to 2014. In order to reach to long-term relationship with per capita economic growth, it relied on six different variables for creativity: patents for the population, patents for expatriates, research and development costs, and employees On research and development, volume of exports of technology, and published writings in scientific and technological journals. At most levels, evidence was found that long-term relationship between innovation and per capita economic growth using an existing co-integration technique, often referring to the use of a specific innovation indicator. Using the Granger test of causation, the researchers identified a one-way and two-way causal relationship between innovation and individual economic growth. These results are not consistent across countries, depending on the types of innovation markers used in the pilot testing process. And let us not forget that all of these innovation indicators are highly correlated with per capita economic growth. In some cases, this communication is either with a supply order or with a follow-up of demand, while on other occasions both occur. The political results of the study can show that differences in innovation and economic growth of the individual in countries must be recognized in order to maintain the level of development at the long-term level in those countries. (Maradana, R. & others, 2017).

Cass Entrepreneurship Fund is invests £10 million in early-stage companies to provide growth equity. At the outset, the purpose of this Funding is to make high-growth businesses with returns of £100,000 or more. Cass Entrepreneurship Fund founded in 2010 with the generous support of Cass's most successful entrepreneur, Peter Cullum CBE. Helen Reynolds, the entrepreneur her experience was in venture capital and early period finance for 15 years, leads the team. at this moment there are eight companies in its portfolio of The Fund , with seven of them based entirely or partially in London. It is looking for significantly expand this portfolio over the next four years. Some businesses can also take advantage of the Fund's flexible office space. (Honeyman, K, 2016)

Identifying entrepreneurial routes that promote economic growth. The main methods of measuring entrepreneurship will be examined based on the concept of entrepreneurship as an economic entity aimed at profits through the introduction of new products, exploration of new markets, and development of new production methods. Because of the scarcity of the full scope of entrepreneurial activity or related matters, no single method is quite suitable, but the level of development of its activity is related to the number of newly established firms. Based on that data, the pilot study discovered three major channels through which entrepreneurship contributes to economic growth: innovation, job creation, and competitiveness. The primary goal of this paper is to present the factors that emphasize the relationship that tied economic growth with entrepreneurship. The first is bartering between productive and transitional enterprises, and the second is bartering between enterprise economic activity and employment.. (Derakhshandeh, A.,2013).

#### **Future studies determinations:**

The office is issuing updated report that includes studies and innovative stories of success. The next step is to develop policies in a campaign that seeks to increase spending on research and development and build a model The diversity

of commercial innovations that place throughout the country. It also demonstrates the importance of supporting research and development through business schools.

The aim of presenting business stories is to highlight the importance of research and development to business, its contribution to the united kingdom economy, which need for an action from government to support the growth of research and development across.

- Innovation and Research that has leadership to social effect.
- Innovation and Research that has increased the business performance.
- Innovation and Research that is supporting solve the Strategy's of Industries.
- And for examples explaining how funding support from government has helped organizations pursue or pledge more research and development activity.( *Tidd, J.,2021*)
- It is advised to delve deeper and conduct a more in-depth investigation into the subject to discover why people make these associations with innovation. Existing businesses can benefit from additional research. It can be extremely beneficial for businesses to learn whether or not their products are sufficiently innovative.
- The negative impact of innovation and entrepreneurship on some sectors, small businesses and regions those are less fortunate to find proactive solutions to mitigate the undesired consequences.
- Examining the requirements that governments must provide in cooperation with the private sector (funding, training workers on new technologies, the need to work for labors associations that protect their rights and raise the level of skills for their workers, creating new departments in universities ) when introducing innovations and entrepreneurship as the future of new business.
- The actual affect of innovation and entrepreneurship in growth of economy. Holistic studies.

**Conclusions:**

- It appears that there is more than one association with innovation. It has been discovered that people believe that innovation is something innovative and that it is associated with something new. Fifty percent also believed that problem-solving is associated with innovation.
- The literature backs up the survey findings that creativity and entrepreneurship are natural and common attributes associated with innovation. It is critical to demonstrate the benefits of innovation to society and the global economy. The studies have contributed to a better understanding of what innovation means to people and how it is defined. The studies also discovered that better definitions of innovation are required. If people are to understand the term "innovation" and be able to be innovative, they must first understand what it entails.
- Innovation & entrepreneurship have long and extended relationship and they interact between their types.
- No doubt of the contribution of innovation & entrepreneurship in the economic growth, but no exact measurement or real numbers to be shown.
- There is no clear image of the new future of the work with the very high speed of innovations & entrepreneurship which need to make more research and studies.

**Summary Table**

Study	Done by-year	Study objectives /articles
Definition innovation types and meaning, more than digital	Benjamin Talin 2021	To give a simple definition of innovation in the business context
What does Innovation mean - a term without a clear definition	Stenberg, A. (2017).	The purpose explain how people associate with the word innovation and why they do that
Defining Entrepreneurship: Operational Considerations	Kusumsiri, S. N., & Jayawardane, A. K. W. (2013).	identifying the entrepreneurship as phenomenon of complexes mix

The Relationship between Entrepreneurship and Innovation: A Dynamic Panel Data Analysis	IŞIK, H. B., Nihat, I. Ş. I. K., & Kilinc, E. C. (2016)	Identifying the interaction relationship between innovation and entrepreneurship and how they effects each other
Innovation and Entrepreneurship Relationship	Suliaman Turay-2016	More than analyzing the relationship between innovation and entrepreneurship and applying this relationship to companies, but rather focusing on summarizing the differences in the field of entrepreneurship and innovation, the characteristics of interdependence, components, the internal process, and their impact on economic growth
10 Most Common Types of Entrepreneurship	Cecilia Blasbalg-2021	Provides guidance for people who are passionate about entrepreneurship and who are passionate about success By providing an understanding of the types of entrepreneurship By choosing between the different types of entrepreneurship, you will be able to meet your business challenges with a greater and deeper awareness of how to deal with them, choosing the resources your business needs, and thus choosing the project that leads to your success.
The Role of Innovation and Entrepreneurship in Economic Growth	Andrews, M. J., Chatterji, A., Lerner, J., & Stern, S. (Eds.). (2022).	Studying the impact of innovation and entrepreneurship on general economic performance through cumulative results, which can be built upon to study and analyze the impact on the economy on a sector alone.
Innovation management in context: environment, organization and performance.	Tidd, J. (2001).	The study aimed to clarify the reason for the failure of administrations to benefit from innovation and entrepreneurship, and to clarify the factors that affect management practices and the formation of organizations. It also helps guide future innovative research
Revealing the factors which drive innovation, growth and productivity in small and medium-sized enterprises	Epstein, M. J., Elkington, J., & Herman, B.-2018	To study the impact of financial support for research and innovations, and thus know the extent of the impact on productivity and growth in small and medium enterprises in the United Kingdom
The Work of the Future: Building Better Jobs in an Age of Intelligent Machines	David, M., & Reynolds, E. (2020).	Try to focus on the innovation impact on employment and productivity, they assume undesired results as desired results, hence, they want to try to provide ways to mitigate or shape that results in useful way for all.
Does innovation promote economic growth? Evidence from European countries	Maradana, R. P., Pradhan, R. P., Dash, S., Gaurav, K., Jayakumar, M., & Chatterjee, D. (2017).	Try to give an answer to wondering question, it's true that innovation raise the economic outcomes? The answer was sure if you take it accumulatively, so still need more investigates for each unit.

Providing growth equity to early stage companies through the Cass Entrepreneurship Fund	Helen Reynolds-2016	Try to give an answer to the question, is it true that creativity increases economic results? The answer was sure yes if you take it cumulative, so it still needs more investigations for each sector.
A study on organizational entrepreneurship on economic growth	Derakhshandeh, A. (2013).	It came to study the impact of entrepreneurship on economic output. It also wanted to study four variables from the elements of entrepreneurship as independent variables, offset by economic growth as a dependent variable.

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