

Innovation and entrepreneurship

[Business](#), [Entrepreneurship](#)



Student: B00227358 University of the West of Scotland Issues Surrounding the Role of Innovation in the Economic Growth Process Introduction The modern world economy shows that the scientific and technological knowledge and innovation are key factors for sustainable economic growth. Much of the competitive advantages that the country holds today derives from the use of scientific knowledge and applied technology become the corporate level to develop new products or services through the management of technological innovation, marketing, and organizational.

The world globalization highlights the urgent need for business organizations that produce goods and services for domestic or international market recognize the strategic value of innovation and incorporated into its business management as an instrument or tool that is part of your corporate culture. Innovation is an essential element for any organization in order to survive, grow and significantly influence the direction of any industry.

Development does not; however, guarantee success, but most be followed up with successive streams of innovation and change, from the incremental to the radical. Discussion The most reliable way to be successful in the industry is to innovate better and longer than the competitor, leading companies develops innovation portfolios that they can use to help sustain growth over the long term. Innovation and change is an essential part of any business activity, but only some people recognize its importance and significance.

Companies recognize that key factors such as productivity, competitiveness, and productive marketing and organizational efficiency, depend increasingly implement suitable mechanisms to change from the stage knowledge <https://assignbuster.com/innovation-and-entrepreneurship/>

generation (Science and Technology), or import and assimilation of it to the stage of practical application through the process of innovation. In the recent years, entrepreneurship has become the most successful innovation to increase the economical growth of the country. Entrepreneurship has long been briefly viewed as a foremost vehicle for financial development and it has captivated investigators from a kind of disciplines with very varied analytical approaches. Audretsch & Thurik, in their paper “What’s new about the new economy? Sources of growth in the managed and entrepreneurial economies,” demonstrates the change which is being made in the OECD countries. According to them, the reason for this change is the entrepreneurial economy (Audretsch & Thurik, 2001, 267). The paper is an attempt to articulate and identify the differences between the new emerging entrepreneurial economy and the managed economy.

According to this paper, there are a total of 14 trade-offs that confronts these two economies. The major economic benefits of European integration will come not through economies of scale, but rather through economies of diversity (Audretsch & Thurik, 2001, 308). The countries that have adopted the entrepreneurial economy have been successful in making additional growth. In another paper, “Linking entrepreneurship and economic growth,” Wennekers and Thurik looks at the link between the entrepreneurship and the economic growth of a country.

The paper concludes that entrepreneurship really matters for the prosperity of a country. In today’s modern world of economics, entrepreneurship plays an essential role in the growth of economy. According to the paper, ICT-revolution and globalization implies the need for a structural change which

requires a considerable reallocation of the resources, this increases the demand for entrepreneurship (Wennekers & Thurik, 1999, 140). The Schumpeterian tradition of the analysis which concerns the form, innovation and entrepreneurship is examined in the paper, “ Innovation, entrepreneurship and the firm: a post-Schumpeterian approach. Burton proposes a post- Schumpeterian framework as a remedy for the defects in the Schumpeterian framework. The framework presented by Burton is based on four main elements Diffused Entrepreneurship/Entrepreneurial Management; Collaborative Business Arrangements for Knowledge Creation; Knowledge Protection; and Knowledge Creation (Burton, 2001, 7). We can look take assistance from this framework to strengthen the innovation and entrepreneurship in the country. Furthermore, in “ Entrepreneurship, Innovation and Economic Growth: Evidence from GEM data,” demonstrates the occurrence of the high growth prospective of the new emerging firms.

There are different rates of economic growths which have been observed in the country. Not every entrepreneurial start-up contributes to the generating economic growth. It shows that other factors also influence the economic growth of a country. Innovation in science and technology is also an essential part in contributing to the growth of economy in a country. Economic growth is a process through which knowledge is transformed into quality goods and services that satisfy human needs (Wong et al, 2005, 335).

The companies are the means through which scientific and technological knowledge is applied in a practical way through the production process, and is transformed into goods and services increased level or better quality, which contributes to the economic and social transformation. Organizations

need a change of approach, which involves focusing attention on existing technologies that when used on a widespread basis through processes of innovation, can have a significant impact on the UK economy.

Most countries recognize the importance of science and technology as tools for economic growth, but many developing countries focus exclusively on the generation of knowledge in basic research support. Countries must adopt strategies to improve the infrastructure of basic services, so that the appropriate level of the same foster technological development necessary to achieve sustained economic growth: Without a decent infrastructure of basic services it is not possible to develop major applications of technology.

Many developing countries have made the mistake of not giving enough importance to the training of technicians and technologists, and artisans, which are home to many small and medium enterprises. Today most of the curriculum and curriculum of universities in developing countries have become obsolete (Murray & Blackman, 2006, 132). In an increasingly globalized world requires changes in national policies to incorporate science and technology in the design of economic strategies, in order to achieve: 1. The use of existing technology, using the strategy of " shadow and fast " using ICT (information) than is available in the world, 2.

Attracting Foreign Direct Investment in technological capability and seek to promote links with other firms in the chain, 3. " Upgrade " of existing technological capacity in the business sector, 4. Identify market niches and incorporated into the chain 5. To promote international technology partnerships, 6. Using technology foresight methodology in the various sectors (Murray & Blackman, 2006, 132). Among the various fiscal and policy

instruments that can be implemented to stimulate technological innovation and boost business ties between the actors.

We need to promote intellectual property, promote international cooperation in technology transfer, and promote co-financing for technological innovation and venture capital funds for technological innovation. Other than that encourage the creation and development of small and medium enterprises to promote business development centers and technology incubators, implement technology parks; enhance the technological links with companies in free zones are also very important. There are many issues involved in the role of innovation.

For many years, we have tried to understand the relationship between innovation and development in global and in particular its economical dimension. This interest has increased significantly. While this issue has been addressed in the literature at least since the 60's and 70's, in the late 80's and 90's in that discussion has intensified in part by the new avenues that are opening the economy informational. A new technological revolution based largely on information, and spread through the global economy, affects the spatial conformation of economic activities (Uljin, 2003, 15).

This is due to the characteristics that result from different combinations of endogenous processes such as fixed capital investment, research and development, education, the advantages in the use of technologies, the economies of scale, the allocation of resources, and a variety of institutional factors that vary between countries. This applies not only within countries but even between regions. The industrial map is diversified, resulting in

regional differentiation based on the vocation of the places on those parameters.

Innovative industries of the new technological revolution do not show a generalized spatial dispersion. On the contrary, are located in regions where they meet the requirements for innovation. Three issues deserve particular attention. First, it increases the importance of knowledge and intelligence as the basic factors of the system. They are the key for access to and ownership of information that feeds the dynamics of innovation by enabling technological transformation and modernization of the economy (Uljin, 2003, 15). Second, it involves growing interdependence among various actors and resources.

Among them are companies that make up the economic structure of a region, universities, local government, the labor market, community, entrepreneurship, infrastructure and funding sources. Conclusion This is particularly important as the playing experience with innovation policy has become a panacea for a variety of problems. It is clear that the contexts in which they have successfully implemented these policies contain factors that are areas of opportunity for action and that lessons should not be isolated without context.

Third, the information economy, enhances the integration between regional and global networks. The paradox of the twentieth century is that, in a global economy, regions and cities become increasingly important, even when they have less power than national governments and are always in constant competition. The regions have enormous advantages to compete globally; from greater flexibility to adapt to changing conditions at the national level

can be tackled only with painful effort behind. References Audretsch, A. D. and Thurik, A. R. 2001), “ What’s new about the new economy? Sources of growth in the managed and entrepreneurial economies,” *Industrial and Corporate Change*, Vol. 10, No 1, Pp. 267-309 Burton, J. (2001), “ Innovation, entrepreneurship and the firm: a post-Schumpeterian approach,” *International Journal of Entrepreneurship and Innovation Management* Vol. 1, No. 1, Pp. 7-29 Murray, P. & Blackman, D. (2006), “ Managing Innovation through social architecture, learning, and competencies: a new conceptual approach,” *Knowledge and Process Management*, 13, 3, Pp. 32-143 Uljin, J. (2003), “ Cultural Conditions of Championing Innovation in International Technology-Driven Firms: Ways of Conceptualisation and Assessment,” *ECIS Research*, Pp. 15-19 Wennekers, S. and Thurik, R. (1999), “ Linking entrepreneurship and economic growth,” *Small Business Economics*, Vol. 13, No 1, Pp. 140-149 Wong, K. , Ho, Y. P. & Autio, E. (2005), “ Entrepreneurship, Innovation and Economic Growth: Evidence from GEM data,” *Small Business Economics*, Vol 24, Pp. 335 - 350