

Chapter 10

Entrepreneurship and Innovation: The Essence of Sustainable, Smart, and Inclusive Economies

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ABSTRACT

The main objective of this chapter focuses on the relationship between entrepreneurship, innovation, and its effects on business sustainability. The authors reflect on the personality traits that are essential for an entrepreneur. Entrepreneurship is a mindset focused on identifying opportunities of economic value and translates into the pursuit of business opportunities through innovation. This perspective underlines the need to develop an individual for the globalized world; this development is the strategic key for economic and social development. The objective of this study is to explore how social capital, which is established between the entrepreneur and other economic role players, both inside and outside the organization, is a determinant for developing the entrepreneurial capacity. However, this depends on the organizational culture to focus on innovation. In this context, entrepreneurship is regarded as “entrepreneurial capital” affording the organization to enhance those skills needed to accomplish organizational sustainability.

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INTRODUCTION

The complexity of changes that take place in the environment invites economic role players to rethink the fundamentals of economic rationality because, in the current predicament, the traditional economic rationality may not be synonymous with intelligence. This question meets the multiple intelligences necessary to achieve good performance of economic activity, contrary to the cognitive intelligences and technical instruments, which in the recent past, were more emphasized. In this new economic and societal era, many are the instruments that energize the economy, with strong positive external economies on the social side. Entrepreneurial as well as humanized and shared leadership could augment innovation processes in organizations. To achieve success, there are prerequisites to follow, among which is the production and use of multiple and holistic skills, combining the hard with the soft strand. In this area, the value and importance of social skills cannot be ignored. Thus, the path of social education policy as well as those of citizenship education, are strategic elements, as is already perceived in the design and configuration of the national innovation systems.

Entrepreneurial activity seems to be a necessary, though not sufficient, condition for improving organizations' performance on their path to achieving intelligent sustainability. This reality is all the more evident, the more knowledge is intensified in the economy intensifies. In this environment, Teece and Pisano (1994) affirm the notion of dynamic capabilities and consider these to be the key for organizations to maintain their competitive advantage. But entrepreneurship also seeks new ways of producing, new ways of combining functions and a new symbiosis between the function and the aesthetics of the product. This shortens the product's life cycle and those organizations that are less attentive to market developments may become unproductive compared to the more entrepreneurial dynamics evident in their counterparts. Hence, the significant rate of corporate demise is perceived, often caused by the obsolescence of their commodities and/or by some of their functions. In fact, in an economy imbued with prominent multidimensional and interdependent characteristics, competition is more structured in an interactive collaboration context. Here, entrepreneurship is an element of social and economic change, although creative changes are most important in the development of the business plan. Such changes are desirable fluctuations and are associated with Schumpeter's notion of creative destruction. Hence, entrepreneurship can be seen as a strategic skill for companies to respond to innovation opportunities.

In view of the change in the feelings and behaviors of organizations that the new economic reality demands, the main aim of this study focuses on the relationship between entrepreneurship and innovation and its effects on organizational sustainability. This study intends to highlight the personality traits that are essential for

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