



Impact of innovation and technology on corporate development

Dr. Nagaraju R C

Associate Professor of Commerce, University College of Arts, B H Road, Tumkuru, Karnataka, India

Abstract

Businesses and enterprises make up the Indian economy. Because industry leaders were able to adjust to the changing times and meet the majority of consumer demands, our economy has survived. Every small firm is essential to the economy as a whole. Our economy wouldn't be able to function without it. However, a company must also be able to maintain itself and change continuously in order to meet consumer and market demands. Being diligent, creative, and resourceful is essential in any business. Businesses that are more inventive will be better able to adapt to changing conditions and create new skills that will help them operate better. The current study investigates the inventiveness and creativity of start-up founders. The impact of innovation and technology on corporate development is also examined in this study. In-depth interviews and telephone questionnaires were used to gather data from entrepreneurs who launched businesses in Dobsbet in Bengaluru Rural District between January 2018 and June 2024. Using appropriate statistical methods, the relationship between innovation and the growth of entrepreneurship has been investigated. The findings help newcomers manage the business setup with an eye on innovation and cutting-edge technology.

Keywords: Consumer demands, corporate development, creativity, entrepreneurship, inventiveness, start-ups

Introduction

Enterprises and businesses make up the Indian economy. Because industry executives were able to adjust to the changing times and primarily meet the requirements and wishes of consumers, our economy has survived. The economy depends on all small businesses. Our economy could not thrive without it. However, a company must also be able to maintain itself and change continuously in order to meet the needs of the populace and the community

1. Entrepreneurship

Through the implementation of economic "cost discovery," "gap filling," and "input-fulfilling" activities, as well as by promoting structural change, entrepreneurs can aid in the redeployment of resources from less productive to more productive uses. These positions have been posted in greater quantities lately. This literature overlooks the potential role of entrepreneurs as innovators in emerging nations. It was noted a century ago that entrepreneurs are often innovators, promoting new goods and technology as well as creating new markets, procedures, concepts, and knowledge. However, it's a common misconception that entrepreneurial innovation in low-income developing nations is less crucial for growth than in affluent economies^[8].

Before characterizing this innovation, we must acknowledge that there are three main conceptual approaches to entrepreneurship that may be distinguished in the literature. The first study focuses on entrepreneurship, the second on business performance, and the third on ownership. The functional approach involves dynamic stakeholders who make important choices about investment, production, innovation, location, and research and development. Compared to entrepreneurs operating their own businesses, this idea is more expansive. It also includes a number of dynamic entrepreneurs, state or non-profit organizations, and managers of international corporations. According to this viewpoint, entrepreneurship is a psychological trait that involves dynamism, inventiveness, and originality. As in the

past, it is difficult to distinguish between entrepreneurship and innovation: entrepreneurship is an innovative behavior. You are not a business if you lack innovation^[9].

2. Innovation

Product and process innovation or technological innovation—often described as the outcome of (technological) entrepreneurship with a strong emphasis on knowledge—are the specific focus of a narrow, solely technological approach. A more comprehensive approach encompasses innovation, including the creation of new products, processes, and supply sources, as well as the development of new markets and organizational strategies. It is possible to discern between more radical and more progressive inventions. It is crucial to remember that innovation encompasses both the expansion of invention among other economic actors as well as the initial introduction of innovation by a first mover.

One can find new uses for outdated goods and services or even develop whole new ones. Changes you make to your company's operations, such as developing new procedures or business models, are also examples of innovation. Innovation can take many different forms. You could make significant changes, minor adjustments, or incremental adjustments over time. Find out more about starting a creative business. Your company may overcome obstacles and remain competitive by fostering an innovative culture. Innovation encompasses not only novel concepts but also novel approaches to their implementation^[2].

3. Innovation and Entrepreneurship

In the tradition of dynamic capitalism, the entrepreneur is the hero. The entrepreneur usually develops novel combinations, such as new materials, new markets, and new goods. Innovation and enterprise are nearly interchangeable. R&D labs are places where innovation occurs, and entrepreneurship has frequently become a part of managerial bureaucracy. Enterprise and innovation are unrelated.

Being diligent, creative, and resourceful is essential in any business. Businesses that are more inventive will be better able to adapt to changing conditions and create new skills that will help them operate better. Innovation can help your company change and adapt so it can thrive. Innovation in your company may be motivated by the urge to find a solution or seize a fresh opportunity ^[1].

The nature and development of national innovation systems, as well as the circumstances in which entrepreneurs innovate, have been extensively studied. However, the majority of this literature has focused on the dynamics of innovation in developed nations. Research in the nexus of innovation, development, and entrepreneurship is still in its early stages.

Review of Literature

More specifically, entrepreneurship can be characterized as the art or science of invention and risk-taking for business benefit, with the trait of being an entrepreneur. Taking out novel and distinctive combinations is referred to as entrepreneurship. The ability of an entrepreneur to correctly predict a better future is known as entrepreneurship ^[5]. A key component of the market economy is the more general idea of entrepreneurship. The three independent factors that are connected to entrepreneurship are economic growth, contemporary technology, and innovation ^[7].

Objectives of Research: The research's objectives were as follows.

- To comprehend the idea of innovation;
- To learn how innovation is applied in different aspects of entrepreneurship;
- To comprehend how entrepreneurs, perceive innovation.
- To research how improvement elements, affect the industrial and service sectors;
- To comprehend any challenges entrepreneurs may have in implementing innovation.

Methodology of Research

- Both primary and secondary data were used to gather information for the study.
- **Population:** Small-scale business owners in Bengaluru Rural District (manufacturers and service providers) (unknown)
- **Sample Area:** DobsPET in Bengaluru Rural District (Karnataka, India)
- **Sample Units:** Entrepreneurs in the manufacturing and service industries
- **Sampling Method:** Non-probability-convenient sampling
- **Data Collection Methods:** Questionnaires and interviews
- **Sample Size:** 20 in total (10 entrepreneurs in the manufacturing sector and 10 in the service sector).

1. Hypothesis

H₀: The kind of organization and innovation-related improvement factors do not significantly correlate.

H₁: There is a strong correlation between the organization's kind and innovation-related improvement elements.

Outcome Analysis

Data from survey respondents were gathered, processed, tallied, and examined to determine the results.

- Twenty percent of the responders were under thirty years old. 50% of respondents were between the ages of 30 and 40, and the rest respondents were older than 40. Twenty-five percent of entrepreneurs were women, and the remainder entrepreneurs were men.
- Only 25% of entrepreneurs had completed their post-graduation studies, whereas 40% of respondents had graduated and the remaining respondents had finished their H.S.C. or S.S.L.C., 60% of respondents had businesses older than five years, and 40% had businesses younger than five years.

Table 1: Reasons to launch a new Business

Rank		1	2	3	4	5	Weighted Average	Rank
	Weight	5	4	3	2	1		
	Motive							
1	Cheesed off from current employment	2	6	3	4	5	3.73	VIII
2	To create one's own business concept	10	5	2	2	1	5.40	II
3	Governmental Schemes and policies	11	4	2	2	1	5.47	I
4	Influence and support from friends, family, and relatives	6	6	5	3	0	5.00	IV
5	Greater Professional Growth	4	2	1	5	8	3.27	X
6	Prior involvement in the same or a related field of business	8	5	5	2	0	5.27	III
7	To acquire social status	6	3	4	4	3	4.33	VI
8	To ensure independent living or self-employment	4	5	5	3	3	4.27	VII
9	Want to Increase Your Income	7	6	2	3	2	4.87	V
10	To take advantage of better market opportunities	2	3	0	7	8	2.93	XI
11	Launching of a new product	2	4	5	1	8	3.40	IX

Source: Author's Compilation

Interpretation

There are a number of reasons to launch a business, and several motivational elements were taken into account.

The respondents' opinions were examined, and the greatest and lowest rankings for these aspects were determined.

The production of new ideas was ranked second by respondents, who were found to be highly motivated by government initiatives and schemes. People seek to start

new businesses in order to develop their own ideas. The respondents ranked prior experience or affiliation with the same or comparable business activity as their third preference. The majority of entrepreneurs were found to be either operating a new firm in conjunction with their previous venture or operating a previous business. The respondents ranked family influence and encouragement as the fourth most important factor.

It was discovered that people are becoming more driven as a result of the support of friends and family. Desire for financial gain was ranked fifth. Social prestige was ranked sixth. According to the respondents, social prestige is a social demand that everyone aspires to satisfy; in order to do so, they founded a business. Securing self-employment or independent living was ranked seventh. A small number of entrepreneurs believed that they started their businesses in order to become self-employed. Due to job uncertainty and low compensation, respondents ranked their dissatisfaction with their current position tenth. According to the

respondents, the introduction of a new product in the market was ranked eighth. The launch of new products was accorded less weight by the respondents because they were afraid of innovation and investment risk. The tenth priority was for greater job advancement. Due to the necessity for career advancement, very few people wish to develop businesses. Utilizing improved market opportunities was the respondents' least preferred option. Respondents believed that even if there are many opportunities in the market, people are unable to take advantage of the situation since there is insufficient funding.

Table 2: The entrepreneurs' efforts to improve their skills

Techniques for developing entrepreneurial skills	No. of respondents
Increasing general business management skills through training	12
Instruction in sales and marketing techniques	04
A course on financial management techniques	04
Learn from professionals about cutting-edge technology and knowledge	03
involvement in domestic trade shows	08
traveled overseas to explore modern techniques and similar businesses.	01

Source: Author's Compilation

It was discovered that every respondent is working to improve the abilities necessary to succeed as an entrepreneur. The majority of businessmen (12) are attending training sessions to improve their general business management skills. Eight respondents believed that attending trade shows within their nation would help them improve their skills and expand their capacity to pinpoint areas for improvement. Four respondents are enrolled in courses that improve their financial management abilities. According to the respondents, the majority of entrepreneurs lack a solid understanding of financial management and its analytical methods. While very few respondents are improving their skills by visiting similar businesses abroad to learn about new technology implemented by other

nations, a small percentage of respondents (03) are acquiring new techniques and know-how through specialists in the respective industry.

Table 3: Use of innovation to advance business development

Response	Number of Respondents	Percentage
Yes	20	100
No	0	0

Source: Field Survey

It was found that all respondents, regardless of manufacturing and service entrepreneurs, implementing some form of innovation for the development of their business.

Table 4: Entrepreneurial approaches to innovation

Entrepreneurial approaches to innovation	Always		Sometimes		Not at all	
	N	%	N	%	N	%
I've submitted grant and assistance applications	8	40	10	50	2	10
I have expanded the Business Premises	7	35	5	25	8	40
I have expanded the business's workforce.	8	40	4	20	8	40
I've attempted to export	3	10	1	5	16	80
I have attempted to obtain franchises for a variety of goods	7	35	5	25	8	40
I've used contemporary marketing channels to sell my goods, such as phone calls and online sales.	10	50	5	25	5	25
The money I made from the firm has exclusively been spent for commercial purposes.	7	36.67	5	23.33	8	40
I modify my goods and services.	6	30	9	45	5	25
I consult specialists for advice When necessary	5	25	12	60	3	15
I've started using new technology.	6	30	7	35	7	35
I focus on making sure customers are satisfied.	10	50	9	45	1	5

Source: Field work

Just 10% of respondents did not apply because they were unaware of the grants and assistance. Majority of respondents were attempting to obtain in order to introduce innovation into their organization. Thus, one of the reasons respondents did not utilize grants and help was a lack of information. As part of innovation, it was observed that most respondents have modified their premises. One of these majors came from the service sector. When asked

about staff changes, 40% of respondents said they occasionally made personnel changes, and 20% said they did it in response to seasonal demands. Exports can be one of the growing areas where the firm can expand, according to the research, as very few respondents were interested in exporting. Many respondents have chosen to franchise a variety of items as part of business innovation.

It has been demonstrated that respondents were employing creative approaches to grow their businesses because the majority of them used contemporary technologies for communication. 40% of respondents said their financial and familial issues prevented them from using the money they made from their businesses for business purposes, whereas 60% of respondents said they used it exclusively for that purpose. Approximately 75% of those surveyed expressed interest in switching their goods and services. Periodically, which suggests that the responders are aware of the

innovation. The fact that 85% of respondents were willing to consult professionals demonstrates the caliber of entrepreneurs and is beneficial for the growth of businesses. It was discovered that roughly 65% of respondents were upgrading their technology, while the remaining respondents had not done so for the most part due to a lack of funding and awareness about the technology. The majority of responders focused on customer happiness, which appears to be a useful metric for business growth.

Table 5: shows the relationship between the kind of organization and Enhancement Elements due to Innovation

Kind of Business Concern	Enhancement Elements							Total
	Sales	Profit	Production Capacity	Product/service quality	Public Image	Information and Technology Service	Delivery Time	
Manufacturing	2	1	2	1	1	1	2	10
Service	1	1	1	2	1	1	3	10
Total	3	2	3	3	2	2	5	20

Source: Author’s Compilation

2: Computation of X² Value

Table 6: Chi- Square Table

O _i	E _i	O _i -E _i	(O _i -E _i) ²	(O _i -E _i)/ E _i
2	1.5	0.5	0.25	0.17
1	1.0	0.0	0.0	0.00
2	1.5	0.5	0.25	0.17
1	1.5	-0.5	0.25	0.17
1	1.0	0.0	0.0	0.00
1	1.0	0.0	0.0	0.00
2	2.5	-0.5	0.25	0.10
1	1.5	-0.5	0.25	0.17
1	1.0	0.0	0.0	0.00
1	1.5	-0.5	0.25	0.17
2	1.5	0.5	0.25	0.17
1	1.0	0.0	0.0	0.00
1	1.0	0.0	0.0	0.00
3	2.5	0.5	0.25	0.10
				1.22

Source: Author’s Compilation

Calculated Value = 1.22, Degree of freedom = (r-1) (c-1) = (2-1) (7-1) = Degree of freedom = 6, Table Value = 12.59, Calculated Value < Table Value 1.93 < 12.59

Inference: Since the computed value is lower than the value in Table 6, we rejected the alternative hypothesis (H₁) and accepted the (H₀). Therefore, there is no meaningful connection between an organization's kind and innovation-related improvement factors. It was discovered that the implementation of new procedures guarantees a development in the company. Additionally, it was discovered that innovation improves a number of parameters regardless of the type of organization.

Conclusion: The growth of entrepreneurship in a nation like India is significantly influenced by innovation and technological improvement. The current study concentrated on the reasons behind starting a new firm, the steps entrepreneurs take to improve their skills, the innovative strategies they employ, and the relationship between the kind of organization and the factors that improve as a result of innovation. The development of entrepreneurship was shown to be influenced by a number of motivating variables, with government policies and programs that promote different businesses being the most motivating

factor. The majority of business owners are working to improve their abilities and embrace innovation through training. Most of the entrepreneurs are adopting modern marketing Medias to sale the products as well as services. Through the research it was found that, there is no relationship between types of organization and the improvement in the business due to adoption of innovation and technology

References

1. k Fumi, w Caroline, “From Basic Research to Innovation: Entrepreneurial Intermediaries for Research Commercialization at Swedish Strong Research Environments”, Working Paper, Available at: http://wp.circle.lu.se/upload/CIRCLE/workingpapers/201002_Kitagawa_Wigren.pdf.
2. M Hasan, E Harris. “Entrepreneurship and Innovation in E-Commerce”, Journal of Achievements in Materials and Manufacturing Engineering,2009:32(1):92-97.
3. S Lina. “Pro-Poor Entrepreneur-Based Innovation and its Role in Rural Development”, Working Paper, Available at: <https://ideas.repec.org/p/unm/unumer/2010037.html>, Accessed on 2010.
4. Research Institute of Economy, Trade and Industry, “Annual Report”, Available at https://www.rieti.go.jp/en/about/annual_report_2017/RIETI2017AR-E.pdf
5. Joseph A Shumpeter. “The Theory of Economic Development: An Inquiry into Profits, Capital, Credit, Interest, and Business Cycle”, Harvard University Press, 1968.
6. J Runde. “Clarifying Frank Knight's Discussion of the Meaning of Risk and Uncertainty”, Cambridge Journal of Economics,1998:22(5):539-546.
7. Y Singh, C Agarwal, A Bhatnagar. “Changing Face of Entrepreneurship in India through Innovation”, African Journal of Marketing Management,2011:3(5):94-98.
8. Shailaja Kheni. “Role of Innovation in Entrepreneurship Development”, AARMSS International Journal of Management and Social Sciences Research,2017:3(2):1-5.
9. M Matejun. “Role of Technology Entrepreneurship in the Development of Innovativeness of Small and Medium-Sized Enterprises”, Management,2016:20(1):167-183.