

2017

The impact of economic crises on the development of innovation and entrepreneurship

Karantza, Panagiota

Business Administration Programm, School of Economic Sciences and Business, Neapolis University Pafos

<http://hdl.handle.net/11728/10382>

Downloaded from HEPHAESTUS Repository, Neapolis University institutional repository



**MASTER IN BUSINESS
ADMINISTRATION**

**The impact of economic crises on the
development of innovation and
entrepreneurship**

**KARANTZA PANAGIOTA
ATHENS 2017**

TABLE OF CONTENTS

Abstract.....	3
1. Introduction.....	4
Research purpose and actuality.....	5
2. Theory and thesis proposals.....	8
2.1.Theoretical background of dynamic capabilities.....	8
2.2. Firm performance in a financial crisis and its dynamic capabilities.....	14
2.3. Innovation indicator development theories.....	17
2.4. Innovation concept and definitions.....	19
2.5. Innovation adoption in organizations.....	20
2.6. Environment changes and its role to innovation.....	20
2.7. Speed and rate of adaption of innovations.....	21
2.8. Innovation measurement difficulties and issues.....	23
2.9. Market orientation and innovation – opening new markets in time of crises...	24
3.Methodology.....	35
3.1. Description of five interviewed companies.....	39
4. Results.....	42
4.1. Proposals before research.....	42
4.2. Findings about economic crises impact on entrepreneurship and innovation ..	42
5. Discussion.....	45
5.1. Findings after analyzing answers from interviews.....	45
5.1.1 Reorganized ownership of companies.....	45
5.1.2 Orientation to global market.....	46
5.1.3 Higher value products gain competitive advantage in time of crises.....	48
5.1.4 Knowledge use as refining dynamic capability.....	48
5.1.5 Innovative products by its concept and innovative product variations creates success.....	50
5.1.6 Technologies are fostering creation of innovative products.....	52
5.1.7 The reaction speed to market changes helps to keep advantage over competitors.....	52
5.1.8 Organization structure and management style affects innovativeness.....	53
5.1.9 Sensitivity to customers’ needs.....	54
5.1.10 Innovation variation and quantity depends from industry.....	55
5.1.11 Fitness with environment moderates firms’ ability to adapt innovations.	56
6. Conclusions.....	59
6.1. Further research.....	62
References.....	64
Appendix.....	73
Sub – questions.....	74

Abstract

Economists are describing crises affect in numbers how crises has affected counties all over the world, but how do companies are finding solutions to overcome crises when financial resources are less available and does dynamic capabilities have positive relationship with creation of innovative products in times of crises is not explored enough. By performing qualitative interviews, research will draw main lines how enterprises are overcoming crises and in which ways firms reorganize inner resources and processes, which are supported and performed inside companies to keep advantage and rivalry. Research will give some suggestions and ideas that might help to other companies to think over their inner processes in times of crises and might give inspiration to find better solutions firms can reorganize resources and capabilities inside companies to overcome crises situation and through this process might be created also some new innovative variations of existing products.