Management Essay

**The Concept and Practice of Innovation in an Entrepreneurial Organisation (2000 words)**

**Introduction**

Various scholars and business practitioners have offered a wide range of definitions of innovation. Mintzberg (1983) defines innovation as the means to break free from conventional patterns or simply doing things in a different way. However, Myers and Marquis (1969, cited in Trott, 2008, pp.14) provide a more comprehensive definition:

‘*Innovation is not a single action but a total process of interrelated sub processes. It is not just the conception of a new idea, nor the invention of a new device, nor the development of a new market. The process is all these things acting in an integrated fashion’*.

Schumpeter (1934, 1939, 1942, cited in Trott, 2008,) is arguably one of the early proponents of the entrepreneurship innovation theory. He highlights the significance of new products and not marginal variations in prices of prevailing products as the spurs to economic growth. In particular, Schumpeter (1934, cited in Burns, 2011, pp. 10) is responsible for linking entrepreneurship, growth and innovation. Entrepreneurial organisations can therefore be said to be innovative in their paths to marketing, finding more effective and often economical paths to markets.

Specifically, this essay discusses and analyses the concept and practices of innovation in a developing entrepreneurial organisation, including the culture and structure of an Entrepreneurial Developing Organisation (EDO) as well as the management of employees, business networks and creativity. Examples are provided which link theory with practice.

**Conclusion**

In conclusion, it is clear that entrepreneurial organisations do not simply evolve but are made. The process entails developing an entrepreneurial culture and suitable organisational structure; management of employees, business networks and creativity in a way that emboldens and enhances innovative practice. Large companies that still operate on old economy models can be transformed and achieve innovative practice that makes them competitive in today’s dynamic market environment (Thornberry, 2003). Equally, small firms, despite the many market hurdles by way of sophisticated competitive environment, can be developed and turned into firms characterised by innovative practice (Morris and Schindehutte, 2001). Culture in entrepreneurial organisations is of paramount significance in that it informs the kind of structure is adopted allowing for freedom of ideas, flexibility, and teamwork spirit all of which stimulate innovation and creativity (Armstong, 1995 and Judge et al. 1997, pp. 76). Networking makes entrepreneurial firms achieve much not by doing everything on its own but by partnering with other business entities to facilitate in some stages between product/service production and the delivery to end user.