The Effects of Competitive and Innovative Entrepreneurship on Growth Strategies

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The aim of this research is to examine the effects of competitive and innovative entrepreneurship on growth strategies. In the research, competitive and innovative entrepreneurship were considered as independent variables and growth strategies as dependent variable.

The research is expected to contribute to the theoretical and practical aspects of the literature. The theoretical contribution of the research is that the effects of competitive and innovative entrepreneurship on growth strategies are examined in a holistic model and fill this gap. The contribution of the research practice, the effect on the growth strategies of competitive and innovative entrepreneurship are tested.

Keywords: Competitiveness, Innovativeness, Entrepreneurship, Growth Strategies

Introduction

Entrepreneurship is influenced by economic, social and cultural structures and effects these structures. His social environment, family, education, teachers, close friends, books he reads, stories he listens to, his cultural, human and social capital capacities are decisive in that he is an entrepreneur and an entrepreneurial success.

It is known that entrepreneurial attractions have a great role in increasing the momentum of technological development. Entrepreneurship is also seen as an essential tool for the growth of emerging economies at the same time. This phenomenon is now accepted on a global scale, including advanced economies (Zoltan et al., 2001, Jack and Anderson, 1999).

In particular, entrepreneurship is of great interest to social science literature and is an important research topic. It is worth noting that your entrepreneurship has become a focus of interest in business discipline as much as it is in economics literature, and that in the last two decades important contributions to the theory of entrepreneurship have come from business discipline (Casson, 1990; TÜSİAD, 2002).

In addition, many sociologists view entrepreneurs as a representative of the ruling classes or as a part of the upper class, because entrepreneurs create a category or class that is different in the social hierarchy. In their analysis of the class, the entrepreneurial sector appears to be a decisive factor in social discrimination, which leads society, as well as economic, social and political aspects (Thornton, 1999; Şaylan, 1974).

Entrepreneur And Entrepreneurship

The use of the concept of entrepreneurship in the present sense is related to the domination of the capitalist mode of production. The introduction of the concept into the literature of economics, in fact, begins in the 19th and 20th centuries. The concept has brought economist, French economist Cantillon. With J.Babtiste Say this concept has reached the meaning we use today. According to Say, entrepreneur is the person who produces a commodity which is
believed to be precious by bringing all the factors of production together and risking the profit for profit. Say's entrepreneurial definition is based on having both risk taking and managing ability (Binks and Vale, 1990).

According to Hisrich and Peterse, entrepreneur; bringing labor, raw materials and other assets together to create greater value, and at the same time creating innovation and a new order (Hisrich and Peters, 2001).

Schumpeter, on the other hand, is an entrepreneur who innovates and develops untested technologies, develops inventive techniques by inventing or testing untested new products, or by reforming existing ones by producing new products or by reworking existing ones, as people (Schumpeter 1975).

While Morrison and his colleagues seem to initiate change with creativity and innovation that is the essence of entrepreneurship (Morrison et al., 2005).

According to McClelland, social scientists are (a) able to identify talent and profit for specific issues; (b) an energetic personality; (c) having a sense of personal responsibility; (d) the ability to measure the success of decisions made with money; (e) making sound predictions about the future; (f) organizational ability; (g) and finally obtain personal benefit for the provision of prestige and for the risk they receive (İlhan, 2005).

Long has identified three common directions of entrepreneurship definitions. These; (1) uncertainty and risk, (2) integrated managerial skills (3) creativity and opportunism (Long, 1983). The concept of entrepreneurship is generally expressed as innovation, flexibility, dynamism, risk taking, creativity and development orientation (Stevenson and Gumpert, 1991).

**Competitive Entrepreneurship**

When examined at the individual level, the root cause of aggressive competitiveness as another dimension can be attributed to entrepreneurial business owners' liking and striving to be successful in order to be able to evaluate themselves (Altuntaş ve Dönmez, 2010). Aggressive competition can be expressed as efforts to tackle the tendency of aggressive behavior in response to the actions of its competitors in order to gain an advantage over an industry's competitors in the industry in which they operate and to maintain and improve their current market share (Lumpkin and Dess, 2001).

Competitiveness is that an operator can gain market share and maintain that share in the industry in which it operates (Noe, 2009).

On the basis of the desire and tendency mentioned in aggressive competitiveness, competition is seen as the enemies to be defeated, the attempt to be first in terms of products and processes, the opposition of competitive opponents and repayment of their competitors due to the fact that competitors do not want to live together in a peaceful environment, lies in the thought of attacking hard and hostile in order to give.

These actions can also be achieved not only to gain superiority by specializing in terms of competition, to protect and improve position, but also by directly and intensively fighting to facilitate market entry and increase market share (Altuntaş and Dönmez, 2010).

In this context, aggressive competitiveness involves looking for radical solutions to combat industry leaders, analyzing the weaknesses of competitors, and focusing on the different products that can create high added value, in addition to the more specific and current applications of traditional competition methods (Lumpkin and Dess, 1996).
Innovative Entrepreneurship

Innovation refers to the introduction of new methods in social, cultural and administrative settings, but in the simplest sense, the conversion of information into utility (Elçi, 2007). His concept is also defined as finding different and effective solutions by approaching situations and problems from a different point of view. Innovation according to the OECD is used to mean that an idea can be translated into a viable process (Taymaz, 2001). Innovation is the process of using information and ideas to create beneficial results. In terms of businesses, it provides significant competitive advantage as it improves innovation, productivity and profitability, and allows new markets and existing markets to expand (Elçi, 2007). In this framework, entrepreneurs who innovate in their activities can be defined as innovative entrepreneurs. Within the scope of the study, the concept of innovation has been widely used to include innovation and R & D activities of entrepreneurs.

Innovation is seen as the most important element of corporate entrepreneurship (Covin ve Miles, 1999). Innovation refers to a process with newer, better and more functional goods and services. Therefore, innovation can also be defined as the applied state of ideas resulting from creativity (Güney, 2008).

Stevenson and Gumpert consider innovation as the heart of entrepreneurship (Stevenson ve Gumpert, 1985). In addition, the concepts of creativity and innovation seem to be closely related to each other. Thus whatever is created is new, and innovations lead to the development of human possibilities by promoting entrepreneurship and the spread of these possibilities (Bakan and Büyükbeşte, 2004). Every business, like the individual, can develop its own basic skills. Innovation is one of the basic skills that an operator can have. Since innovativeness is seen as a competitive power in businesses, businesses must think and work in a way that they can innovate continuously (new product, new process, new technology, etc.) (Koçel, 2005). Innovation can have many sources. These can be summarized as unexpected events, needs, changes in the sector and the market, and differences in perception of demographic characteristics. An enterprise can be as efficient as it can make innovations as economically as possible. Businesses are using their innovation resources and resources more rationally, which leads to lower production costs and increased production (Güney, 2008).

Therefore, the form of collective behavior for the creation of an opportunity to value it within an institution, whether based on basic research or not, will be instrumental in the creation of a trend of innovation in that institution. Innovation trends in business behavior by supporting new ideas and projects to develop new products or services will directly affect that operator's qualitative and quantitative performance criteria (Bulut, Fiş, Aktan and Yılmaz, 2008).

Growth Strategies

Growth is not only within the sector, but also outside the sector. The growth strategy is to have an image that is desirable and often intended by managers, raising the value of the business as a core strategy that creates positive associations in society and in stakeholders. Therefore, entrepreneurs struggle to implement and sustain this basic strategy. In short, the growth strategy is a strategy that will increase the welfare of the community, which can help fulfill the expectations of stakeholders and strategists, is always desired, is accepted, and increases the profitability and market share of the business depending on the market conditions of the goods / services (Ülgen and Mirze, 2010).
1. Concentration
This strategy is based on the planning and development of activities on a specific limited market, but with a product variety, and aims to give certainty and clarity to the activities. The inability to find the necessary tools in business limits the ability of the business operator to enter new business, markets and treaties, thus necessitating the ability to remain active. In that case, this decision is taken as a result of evaluating the internal tools and facilities of the company (Sadoc, 1974).

The biggest drawback of concentration is the reduction in demand as a result of the adverse developments in the environment. In the event of a decrease in demand, the enterprise may cease its operations by falling into a situation that can not meet its costs or lose its development power even if it is not living power. (Sadoc, 1974). Another drawback of the condensation strategy is that the market in which it operates has reached its saturation point in the future and has been deprived of its development possibilities. Despite all these drawbacks, the concentration strategy provides opportunities for small businesses to increase their strength by producing specialized goods and services against large and medium sized enterprises.

2. Vertical Growth
Vertical growth is called vertical expansion of production activities in a specific location to the sources of production factors or towards final products. The enterprise deals with the production of raw materials and semi-finished products entering the production process and can expect some economies and benefits in producing them. Or it deals with the production of industrial products that it sells as intermediate goods and shifts its field of activity to these areas. We can even spread wholesale goods and retailing to these companies by establishing commercial distribution companies in wholesale business. The entity may aim to reduce the costs of the finished goods by costing the profit margins of the businesses in which the goods are purchased or the goods are sold (Wishart, 1972).

3. Horizontal Growth
It is an enlargement plan that remains in the industry of the products or products that the operator has produced before. The company will closely monitor the technological developments and will be oriented towards the manufacture of products that are similar to and dependent on the industrial products of the old products and the production technology. However, it will pre-test the effects of this variation on students and clients. Producing some commodities suitable for demanding old products gives the business flexibility to comply with the customer's budget. Thus, demand increases and enters into the expansion of the business opportunities. Equilibrium is ensured by avoiding the risks of the production of a single product (Steiner, 1969).

One of the factors that facilitates the implementation of such a strategic plan is that the commercial expenditure required by the differentiation due to the same customers being addressed will not be high. However, such a strategy also carries the drawbacks of the concentration strategy. In fact, there is not much that changes. Because of strict dependence on the demand side, it will cause the operation of all the goods produced by the operator to decrease. In this type of strategy, the market saturation danger has not been solved.

4. Diversification
The main responsibilities of the senior management are the studies and decisions about which areas and which business should be done in order for the operator to have the advantage over the long term and to raise the value of the average. The diversification strategy is a top
management growth strategy applied to businesses that want to enter new business areas and benefit from the opportunities there (Ülgen ve Mirze, 2010). The strategic goal here is to focus on new business areas and new businesses that the business can provide. In addition to the existing business, the business is interested in similar or new business in the area of its business or in different areas, and the decisions and practices in this area apply its diversification strategy. As can be guessed, the diversification strategy is a growth strategy as the basic strategy. Because diversification is a strategy that causes a numerical increase in the elements of the business. The entity may obtain its income from a single work in which it operates, as well as from a variety of different businesses. It is a reality that does not apply the diversification strategy of the business that concentrates on one business and operates in that business. But corporate strategies include new job searches and work that are done with the thought that a single work-intensive process can operate in a variety of different jobs in the future, since they are not only interested in the current job and are focused on future jobs.

5. Stationary Strategies (Balanced Strategies)
The strategy pursued by the company for the following reasons are given a steady growth strategy name:
- The business continues to pursue the same or similar goals, and as it has been in the past, it continues to grow at the same rate each year.
- Continues to offer the same or very similar products and services around the world and does not make any changes.
- Main strategic decisions focused on maintaining functional slow growth.
There is a steady or balanced course in the stationary growth strategy. The business is expanding its activities without entering a risk. In products and services, there are major functional changes in distribution channels, in production capacity, to a lesser extent. In an effective stagnant growth strategy, it allocates business resources to its current activities or focuses on a narrow product and market segment to provide rapid competitive advantage. The stationary growth strategy can lead to a defensive action by acquiring legal patents for the purpose of reducing competition. Stable growth strategy means that the operator keeps developing on the safe area in the field, avoiding entering new areas and increasing risk (Eren, 2010).

Research

The Purpose and Importance of Research
The purpose of this research is to examine the effects of competitive and innovative entrepreneurship on growth strategies. In the research, competitive and innovative entrepreneurship were considered as independent variables and growth strategies as dependent variable. The research is expected to contribute to the theoretical and practical aspects of the literature. The theoretical contribution of the research is that the effect of competitive and innovative entrepreneurship on providing growth strategies is examined in a holistic model and filling the gap in this area. The contribution of the research in practice is that the effects of competitive and innovative entrepreneurship on the growth strategies are tested. A two-step approach (Anderson & Gerbing, 1988) was used in the analysis of the model to be tested in this study. In the first stage, the reliability of the scales used in the study were analyzed by testing the measurement model. After this phase has been successfully
accomplished, the next step is taken to test the structural model in which the relationships between variables are searched. In recent years it has been shown that a two-stage approach may not be sufficient by itself and that it is necessary to observe implicit constructs with explanatory factor analysis (Mulaik and Millsap, 2000; Schumacker and Lomax, 2004). For this reason, in this study, the factor analysis of each structure was performed before the measurement model to check whether the assumption of single dimensionality was met and then the measurement model and the structural model were tested.

**Variables and Model of Research**

In this research, the relationship between competitive and innovative entrepreneurship and growth strategies will be examined and our hypotheses with variables will be explained. The dependent variable of the research is the growth strategies. The independent variables of the study are competitive and innovative entrepreneurship.

**Research Hypotheses**

H₀: There is no relationship between competitive and innovative entrepreneurship characteristics on growth strategies

H₁: There is a relationship between competitive and innovative entrepreneurship on growth strategies

**Scope of Research and Data Collection Technique**

In order to explain the relationship between the independent variables of competitive and innovative entrepreneurship and the growth strategies which is a dependent variable, researches have been carried out on 120 owners in a Specialized Organized Industrial Zone operating in Istanbul.

In this study, 6 factors (McDonald, Spears and Parker, 2004) were used to measure entrepreneurial enthusiasm. An 11-factor scale (Hurt, Joseph and Cook, 1977; McCroskey, 2006) was used to measure innovative entrepreneurship. Seven factors (Young, Davies, Hamil and Wheeler, 1989) were used to measure the growth strategy. Demographic questions were also asked.
Main Mass (Research Universe) and Sampling

This research has owners of 120 companies in a Specialized Organized Industrial Zone that operates in Istanbul. 15% of the participants in this study were women and 85% were male. The ages of the participants range from 27 to 45. 25% of participants were single and 75% were married. 27% of the respondents have education in secondary education, 44% in associate degree, 29% in license graduate education. When asked about how many years they have worked, 34% are 3-5 years, 31% are 10 years, and 25% are 5-10 years old and 10% year employess

Findings

Exploratory Factor Analysis of variables observed

Competitiveness

As a result of the exploratory factor analysis made on the variability observed in competitiveness, two factors above the Eigen value 1 were determined. Taking into consideration the materials used to measure the variables, it is understood that two factors dominate. Based on this result, factor analysis showed that the single factor explained only about half of the variance (41.33%).

Innovativeness

As a result of the exploratory factor analysis made for the variable observed in innovation, three factors above the Eigen value 1 were determined. Taking into consideration the substances used to measure the variables, it is understood that a factor is dominant. Based on this result, factor analysis showed that the single factor explained only about half of the variance (40.18%).

Growth Strategy

Two factors above the Eigen value of 1 were identified as the result of the exploratory factor analysis conducted on the observed variance of the Growth Strategy. Taking into consideration the materials used to measure the variables, it is understood that two factors dominate. According to this result, when factor analysis is repeated by compressing two factors, it is determined that the two factors actually explain the closeness of the variance by half (58.22%).

Internal-Consistency Analysis of observed variables

The internal consistency coefficient of observed variables was consistently higher than the results of factor analysis.

<table>
<thead>
<tr>
<th>Scales</th>
<th>Cronbach Alfa</th>
<th>Factor</th>
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<tbody>
<tr>
<td>REK</td>
<td>.72</td>
<td>6</td>
</tr>
<tr>
<td>YEN</td>
<td>.85</td>
<td>11</td>
</tr>
<tr>
<td>BÜY</td>
<td>.80</td>
<td>7</td>
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Note: REK= Competitiveness; YEN= Innovativeness; BÜY=Growth Strategy.
**Correlation Between Observed Variables**

Correlations between variables (at a level of 0.01 significance) are as follows. Correlations between competitiveness and innovation (0.44) are calculated as (0.51) between the Competitiveness and Growth Strategy, and 0.41 between Innovation and Growth Strategy, respectively. These results are presented as evidence that the H1 hypotheses established for the direct effects of the research are validated.

**Result**

In today's world, with easy and rapid access to information, entrepreneurs are accelerating change by using competitive and innovative approaches to product, service and information production. Entrepreneurship therefore has an impact on growth strategies in the economy by using innovation and information technology to compete. Although entrepreneurship considers the idea of growth, financial, and non-financial success as an entrepreneurial thought, it considers growth as a matter of strategic management, qualitative and quantitative, and evaluates customer, product, service, market and market share, experience and trust, competitive advantage, income and profit. In literature, there are various approaches to growth. For example, an enterprise can grow inorganically by taking advantage of the organizational resources that it holds, either organically or through organizational resources that are under the control of others. Another point of view is the growth and vertical and horizontal integration that will be applied in the form of growth, product penetration, product / market / innovation development, single-centered and clustered diversification, which will benefit growth, organizational culture, productivity, quality and corporate image preservation in the form of external growth to be applied in the form of.

In the context of market dynamics, the importance of creativity and innovation has been emphasized since Schumpeter's work. Schumpeter defines creative destructiveness as a process that radically changes the way in which economics is constantly changing, creating new by destroying old. Technological discontinuities that can be defined as innovations that dramatically increase the price and performance limit of a sector can be seen as a result of the concept of creative disruption. In this sense, the first actor to develop strategic (radical, disruptive) innovation, which is defined as destructive, in other words, to develop a new market, business model and process, and to be able to identify with new forms of game play, it is possible to gain a temporary (short-term) monopoly advantage and a chance to make extraordinary profits because of their reaction. Innovation, on the other hand, is important not only for its creator, but also for its customer, market and economy. Entrepreneurship; competitive power, creating employment, sustaining employment by continuing to exist in the market, and being able to contribute to economic development through the production of qualified goods. However, the increase in competition and the increase in productivity create an interrelated cycle; productivity increases the competitiveness of the competition in the market, while businesses increase productivity of the workforce and production for more qualified goods to respond to the consumer's request. One of the concrete contributions of entrepreneurship to the economy is to accelerate the formation of innovation. Entrepreneurs who always follow new opportunities and try to create new ideas, products and services play a very important role in making the economic structure of an country become a dynamic structure. With this innovative aspect of entrepreneurship
and entrepreneurship, growth is accelerating, productivity and new job opportunities are increasing (Eren, Tutar ve Çisil Erkan, 2012).

In this study, the effects of competitiveness and innovativeness traits on growth strategies were evaluated. It is possible to say that these parameters have a positive effect on the growth strategies of entrepreneurial activities according to their competitiveness levels and their innovative positions. In order to reach the targets set in economic development and development, it is necessary to give importance to social, economic and human capital to be used in this process.

Increasing competition by finding new markets, new sources of raw materials, improving the technologies used in the production of new products / services and services, eliminating regional disparities in the environment of uncertainty and risk, adding value with manufactured products and services while keeping up with changing conditions by following technological and market changes entrepreneurial activities that increase employment and income levels will contribute to economic development and development by positively affecting the economic systems of the countries. When we look at the findings of the study; entrepreneurship is a factor that should be given great importance in terms of the availability of growth.

The research is expected to contribute to the theoretical and practical aspects of the literature. The theoretical contribution of the research is that the effect of competitive and innovative entrepreneurship on growth strategies are examined in a holistic model and filling the gap in this area. The contribution of the research in practice is that the effects of competitive and innovative entrepreneurship on the growth strategies are tested.

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