

## **ENTREPRENEURIAL MINDSET: DRIVING INNOVATION AND RISK TAKING**

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### **ABSTRACT**

An "entrepreneurial mindset" exists in individuals and businesses, despite plenty of obstacles and hurdles. Nowadays, company attitudes seem to be important in discovering and utilizing chances to create value, particularly in terms of knowledge and teamwork. As a result, the concept of entrepreneurial mindset has gained prominence in recent years. Firms are entrepreneurial when their decision-making, tactics, and procedures enable them to discover possibilities, create a proactive mentality, and employ creative approaches to attain their goals. This research paper deals with elaborating entrepreneurial mindset and its relevance in today's era. The paper also discusses how such a mindset is crucial for innovation and risks taking power of an organization.

### **Keywords:**

Entrepreneurship, innovation, risk taking, corporate entrepreneurship, creativity

### **INTRODUCTION**

An entrepreneurial mindset is an approach of thinking and handling challenges that is common among successful entrepreneurs. Entrepreneurial actions are driven by a certain set of ideas, knowledge, and mental processes. To succeed, one must be innovative, communicative, and highly driven, while still remaining open to risk and failure. Kuratko et. al., 2021 quoted that the primary goal of corporate entrepreneurship is to revive innovation by recognising individuals' potential to behave entrepreneurially in businesses. Personal creativity is one of the tools for developing a mindset of entrepreneurship since it helps individuals discover fresh ideas that result in unique solutions for the organization.

Soltanifar et. al., 2021 quoted that the term 'digital' refers to both technology and humans. When functioning in a digital environment, the author highlights the importance of having a digital entrepreneurial mindset. It also suggested a concept of a digital entrepreneurial mentality based on cognitive psychology, organizational theory, and entrepreneurship research. A major issue that the companies are facing right now is discovering the ways of how an entrepreneurial mindset can drive innovation and can affect risk taking power of an organization. This research paper deals with evaluating such ways and how an entrepreneurial mindset can help an organization or a business in terms of innovation and risk taking.

## **SIGNIFICANCE OF THE STUDY**

A fundamental challenge for companies today is determining how to embrace and take advantage of an entrepreneurial mindset, because the capacity to drive digital transformation is greatly impacted by a clear digital strategy enabled by a culture of change, risk-taking, and innovation backed by its leaders. The route to digitization and transformation requires that organizations adopt an entrepreneurship mindset. This research paper discusses the importance of entrepreneurial mindset and its effect on innovation and risk taking factors of an organization.

## **LITERATURE REVIEW**

According to Soltanifar et. al., 2021, entrepreneurs nowadays must be aware that they may be disrupted not just by competitors, but also by customer engagement with similar digital products and services. Such ever-changing integration has resulted in the development of new digital and responsive company frameworks. Responding quickly to the needs of ongoing product innovation, delivering added-value services, enhancing the customer service experience, and progressing towards effective omnichannel marketing have become the new business requirements in the digital era. Such innovation and digitalisation is just possible with an entrepreneurial mindset. An entrepreneurial mindset would promote creativity and foster innovation. The entrepreneurial mindset is critical for fostering company innovation and success. It motivates people to think creatively, take chances, and come up with fresh ideas. In today's dynamic and fast-paced corporate world, cultivating a mindset of entrepreneurship is crucial for organizations to remain competitive.

Mantas et. al., 2010 mentioned that the products, services, processes, and business models are all examples of innovations. Ideas that make it to the market qualify as innovations, whereas those fresh thoughts and ideas that do not only stay inventions with no economic impact. Entrepreneurs' primary job is to materialize inventions into innovations and bring them to the market. Being able to balance risk and innovation is key to the entrepreneurial mindset. While innovation promotes growth and sustainability, it is filled with uncertainty and risk. Effective leaders recognise that risk is not a hindrance to growth, but rather a stimulus for it.

## **RESEARCH OBJECTIVES**

This research paper mainly deals with the aspects of entrepreneurial mindset and its impact on innovation and risk taking. Therefore, the objectives are as follows:

- discussing the overall meaning and difference between entrepreneurship and entrepreneurial mindset
- how entrepreneurial mindset impacts the risk taking power of an organization
- evaluating the connection between entrepreneurial mindset and innovation

## RESEARCH METHODOLOGY

The research methodology is descriptive in nature and consists of secondary research. Various research papers related to the concerned topic were studied thoroughly. Different journals, articles, websites, and blog posts were analyzed.

## DISCUSSIONS AND ANALYSIS

The thought of being entrepreneurial emerged along with the concept of being an entrepreneur. However, the question of what it means to be entrepreneurial remains unanswered. Entrepreneurship literature highlights three typical elements of entrepreneurial behavior: proactiveness, innovation, and risk-taking. Individuals differ in the level to which they display these behaviors since entrepreneurship is the identifying, appraisal, and exploitation of possibilities.

Being entrepreneurial is important for more than just start-ups; it is essential for all organizations and enterprises aiming to grow, regardless of their current size or anticipated growth.

### (a) Difference between entrepreneurship and entrepreneurial mindset

Entrepreneurship is the process of starting one's own business as opposed to working for someone else or practicing a profession. An entrepreneur is someone who starts their own company. Entrepreneurship is also responsible for creating and expanding opportunities for the other two economic activities, employment and profession. Every country, developed or developing, needs entrepreneurs. A developing country needs entrepreneurs to jumpstart the growth process, while a developed country needs entrepreneurs to sustain it. The entrepreneurial mindset is a set of beliefs, thoughts, and behaviors that propels entrepreneurs to success. Most entrepreneurs demonstrate favorable characteristics derived from this attitude, which assist them in overcoming problems, becoming more decisive, and taking command of their company. An entrepreneurial mindset refers to the attitudes and practices that entrepreneurs have, such as willingness to take chances, openness to new ideas, and resilience. A sense of entrepreneurship is the drive and enthusiasm that entrepreneurs have, such as the urge to create something new and make a difference. Both are necessary for entrepreneurship success, but they may also be built and enhanced over time with work and practice.

### (b) Entrepreneurial mindset and innovation

Entrepreneurship and innovation are two different yet related concepts. While innovation includes the introduction of anything new, such as a new business model, product, concept, or service, entrepreneurship focuses on transforming an original concept into a

viable business opportunity. Entrepreneurship begins with innovation, which refers to the generation of new and significant ideas. Entrepreneurship, on the other hand, goes a step further by accepting the risk and responsibility of bringing those ideas to market and developing an effective business. The essential comparison is the risk component of entrepreneurship, which is not always present in innovation alone.

(c) Role of entrepreneurial mindset in risk taking

Leadership with an entrepreneurial mindset has emerged as a vital aspect in handling risk, promoting innovation, and creating long-term success. The capacity to balance risk and creativity is key to the entrepreneurial mindset. While innovation promotes growth and sustainability, it is filled with uncertainty and risk. Effective leaders recognise that danger is not a hindrance to growth, but rather a stimulus for it. They promote cautious risk-taking that is consistent with the organization's aims, beliefs, and vision. This method establishes a safe environment for experimenting while limiting the risks of irresponsibility. An entrepreneurial mindset in leadership fosters a culture in which failure is viewed as a stepping stone to achievement. Leaders who cultivate an environment in which experimenting is encouraged rather than discouraged provide a healthy foundation for innovation. Encouraging people to share their failures and lessons gained can result in game-changing discoveries and continual progress.

## LIMITATIONS OF THE STUDY

Entrepreneurial mindset is a vast topic that consists of various elements that can be considered while conducting research. Therefore, several other aspects that make up an entrepreneurial mindset can be considered. This research paper is descriptive in nature and does not consider the quantitative aspects of the concerned topic, if any. The study can also be conducted specifically for any industry or businesses for better and clear understanding.

## CONCLUSION

Setting goals, creating an opportunity to sign up, and defining the timing of launching the strategy necessary to capitalize on an entrepreneurial opportunity are all part of an entrepreneurial framework. Setting goals acts as a navigator for all parties involved in an exploration of possibilities, and an opportunity register serves as a storefront for possible opportunities. Entrepreneurial leaders motivate their staff to think creatively, seek new options, and conquer obstacles with unrestrained commitment. As the corporate landscape evolves, building a mindset of entrepreneurship among managers will be the difference between organizations that simply survive and those that grow in the face of unpredictability.

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