

The Entrepreneurship And Innovation: Case of SME In The wilaya of Bejaia

ريادة الأعمال والابتكار: حالة الشركات الصغيرة والمتوسطة في ولاية بجاية

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Abstract: The objective of this work is to assess the importance of innovation in the entrepreneurial process. Which leads us to question, on the one hand, the place of innovation as a motive and motivation for the act of entrepreneurship and, on the other hand, in management practices within the company.

To achieve the aim of this work, we conducted a field survey with a representative sample of 23 SMEs in the agri-food sector, which operate in the territory of the wilaya of Bejaia, which comes in fourth position in terms of the presence of SMEs.

The results obtained show that, even if the decision to undertake is the result of several factors, the dimension given to innovation is by far the main reason in the act of creating a business. However, once established, the majority of these entrepreneurs declare that their activities must be part of something new, that they adopt growth and development strategies.

Keys words: Innovation, Entrepreneurship, Entrepreneur, Opportunities.

JEL classification codes: L 25; L 26; F 23.

ملخص: الهدف من هذا العمل هو تقييم أهمية الابتكار في عملية ريادة الأعمال. وهو ما يدفعنا إلى التساؤل، من ناحية، عن مكانة الابتكار كدافع وحافز لفعل ريادة الأعمال، ومن ناحية أخرى، في الممارسات الإدارية داخل الشركة.

ولتحقيق الهدف من هذا العمل، قمنا بإجراء مسح ميداني على عينة تمثيلية مكونة من 23 مؤسسة صغيرة ومتوسطة في قطاع الصناعات الغذائية، والتي تعمل بإقليم ولاية بجاية، والتي تأتي في المركز الرابع من حيث تواجد المؤسسات الصغيرة والمتوسطة. وتظهر النتائج التي تم الحصول عليها أنه حتى لو كان قرار القيام بذلك نتيجة لعدة عوامل، فإن البعد المعطى للابتكار هو إلى حد بعيد السبب الرئيسي في عملية إنشاء الأعمال التجارية. ومع ذلك، بمجرد تأسيسهم، يعلن غالبية رواد الأعمال هؤلاء أن أنشطتهم يجب أن تكون جزءاً من شيء جديد، وأنهم يعتمدون استراتيجيات النمو والتنمية.

الكلمات المفتاحية: الابتكار، ريادة الأعمال، رواد الأعمال، الفرص.

تصنيف JEL: F 23, L 26, L 25

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1-Introduction

The essential role of SMEs, particularly the most innovative, in economic growth is now undeniable. Indeed, several authors agree on the fact that SMEs contribute not only to job creation and social and political stability but also to innovation and competition. This replaces the older view that SMEs should be maintained for social rather than economic reasons, even at a net economic cost.

To survive, in an increasingly competitive environment and in a context where competitiveness is no longer based on the possession of significant capital to invest or on the ability to exploit the effects of scale and experience, the Innovation has become the key word of competitiveness, with all that it implies as a corollary in terms of management and organization.

The issue of entrepreneurship and innovation is the subject of abundant literature in industrialized economies. These two concepts are closely linked to the extent that innovation is considered the very engine of entrepreneurial. The latter associates with the entrepreneur the ability to ensure the transition between the scientific world of discovery and inventions and the economic world of innovations.

In this work we propose to study the dimension given to innovation in the entrepreneurial phenomenon, both at the time of creation and launch of the company and during the exploitation phase. Which leads us to question, on the one hand, the place of innovation as a motive and motivation for the act of entrepreneurship and, on the other hand, in management practices within the company. To do this, we conducted a field survey with a representative sample of 23 SMEs in the agri-food industry sector, which operate in the territory of the wilaya of Bejaia.

2- Theoretical Framework:

The literature relating to the concept of entrepreneurship offers a wide variety of definitions, since it presents several manifestations. According to, “Entrepreneurship is too complex a phenomenon to be reduced to a simple definition,...”. (Verstraete, 2000)

The historical bases of the entrepreneurial phenomenon belong to economic sciences. Indeed, the concept of entrepreneurship appears in economic literature through the writings of and, who attempted to present the function of the entrepreneur and its importance in economic development, underlines in his analysis of the entrepreneurial phenomenon, the role of uncertainty and risk, since according to him: “The entrepreneur is a production and trade management agent who alone bears the risks linked to market constraints and price fluctuations. The Cantillon entrepreneur makes purchases at certain prices to obtain all the resources necessary for his production. Its sales and revenues are, on the other hand, uncertain, which makes the expectation of profit uncertain. (Toutain, 2010)

Cantillon, however, grants the entrepreneur the possibility of anticipating risk by trying to predict behavior and purchasing decisions to set appropriate price

levels for his goods, and which can be accepted by buyers. Evaluating the state of the market is therefore an essential act which depends a lot on personal experience.

is the second economist to have discussed the functions and activities of the entrepreneur, emphasizing “what he must be”, namely: Plan, organize, command and control. He gives the following description: “the entrepreneur is the intermediary between all classes of producers and between them and the consumer. He administers the work of production; it is the center of several relationships; he profits from what others know and what they do not know, and from all the accidental advantages of production. (A.Tounés, 2003)

Say places the entrepreneur at the center of the economic process, and in the establishment of an organization; the entrepreneur is a rational and dynamic economic agent, who is called upon to assume two functions in the economic system: The entrepreneur is above all an organizer, in this sense he brings together and combines the factors of production, to create the framework and the conditions of optimal utility. However, some risks always accompany industrial companies, even those that are best run. They are not immune to failure. The entrepreneur can therefore lose his fortune.

, whom describes as the father of the field of entrepreneurship, significantly changes our understanding of the entrepreneurial function. He associates the entrepreneur with a more restrictive definition than that of Say and notably rejects the notion of risk when he writes: “The conception of the entrepreneur seen as one who bears risks is incompatible with our ideas”. In his publication entitled “The Theory of Economic Evolution”, which appeared in 1935, Schumpeter made the entrepreneur an economic agent in his own right, the engine of technical progress and the essential element of economic evolution and development. and this by emphasizing the innovative role of the entrepreneur, whose particular function is the perception and exploitation of new combinations of means and factors of production. He announces, in this sense that "the essence of entrepreneurship lies in the perception and exploitation of new opportunities in the field of business... this always has to do with the contribution of a different use of national resources which are withdrawn from their natural use and subject to new combinations". For him, it is innovation that distinguishes the entrepreneur from the manager.

By new combinations, the author means five distinct situations: The manufacture of a new product, the introduction of a new production method, the conquest of a new market, the control of a new source of raw material and the implementation of a new organization of production.

Schumpeter also emphasizes the disruptive role of the entrepreneur. He notes that only individuals capable of innovation deserve the name “entrepreneurs”, they are gifted with imagination and demonstrate initiative and will. They ensure the passage between the scientific world of discovery and inventions, and the economic world of innovations. The system can only progress quickly if creative

effort is rewarded. Through innovation, the entrepreneur introduces an imbalance into the economic circuit and he can obtain a profit, but this remains temporary. Any innovation inevitably ends up being imitated, and when it is generalized, a new state of equilibrium is reached, leading to the disappearance of the source of profit. This money is the remuneration granted to the entrepreneur, it is the stimulus for innovation, "Without evolution, no profit. Without profit, no evolution," wrote again . Thus, the profit-innovation link appears dual, on the one hand, innovation is the only active way of attributing a profit, which thus plays the role of spur to progress, on the other hand, profit is the remuneration for innovation which is the reward granted to the entrepreneur.

Profile of the innovative entrepreneur: (Fayolle, 2002)

Based on the work of Schumpeter who associates with the entrepreneur the ability to transform an idea or an invention into a successful innovation, and consider the entrepreneur as a person who is ready to put her career and financial security on the line to implement an idea. attributes to the entrepreneur the ability to seize and take advantage of opportunities that arise, but also the ability to discover and be at the origin of the opportunity, which depends on what he called for entrepreneurial vigilance .

The innovative entrepreneur is the founding entrepreneur, owner, manager and initiator of innovations. It has a double characteristic. He is both an entrepreneur: a business creator, a manager, but also an innovator: an ingenious person, capable of exploiting current technologies to develop new ones.

The business creator acts out of the conviction of participating in economic activity to make a profit. He builds a business based on the markets where he has identified an opportunity for growth, and therefore profit.

The innovator is more than an individual, he has this desire to produce differently, he uses the resources available to him to build alternatives, he has this deep desire to implement new, different processes, distinct from those existing. In essence, the innovator is a dynamic actor, he animates cultural habits over time, he shakes up production routines in industry, he generates reluctance but always he generates something foreign to tradition.

The innovative entrepreneur will therefore be able to carry out a series of actions leading to the production of a new good (by modifying consumer habits) or to the acceptance of a new production method (by going to against the inertia of traditional companies). It is thus one of the foundations of the evolution of a nation's activities and a major player through its influence on economic activity.

The entrepreneur has worn many faces and played many roles, therefore an entrepreneur is: (Sabrina ALIANE, 2021)

- The person who assumes the risk associated with uncertainty;
- An innovator;
- Foreseer, the entrepreneur is a vigilant opportunist;
- The entrepreneur is the founder and owner of a new business where there was none before;

- The entrepreneur is a maker decision, he is a manager, a leader, willing to take risks, usually for a profit his motives maybe not solely financial.

3- Methodological framework:

In order to achieve the objective of this study which concerns the dimension given to innovation in the entrepreneurial phenomenon, we constituted a representative sample of 23 SMEs in the agri-food industry sector, which operate in the territory of the wilaya of Bejaia. The sample in question was drawn from the population of SMEs operating at the level of the wilaya of Bejaia, in the agri-food sector, by referring to the statistics of the direction of SMEs and crafts of Bejaia 2013, which make report of a number of 470 SMEs in the agri-food sector. The size of the initial sample was set at a proportion equivalent to 10% of the study population, or 45 SMEs. It was drawn using the quota method, to best reflect the characteristics of the population.

Thus, a questionnaire bringing together a series of questions relating to the theme was developed and sent to the respondents. The latter has two main axes. The first concerns the innovative profile of the entrepreneur, where we wonder whether innovation constitutes a main vector in the process of creating and managing the company. The second seeks to identify the measures and management practices adopted by the company and which are likely to establish a favorable context for innovation. At the end of the survey, out of the 45 questionnaires administered we were able to retrieve 34, i.e. a response rate of 75%, of which only 23 were usable, while the rest (11) were not answered. or incorrectly filled out.

4- Principle results :

Before presenting the main results of the survey, we deemed it useful to highlight some general data relating to entrepreneurs and their companies.

Of the 23 companies in the sample, 21 were created by entrepreneurs of local origin (wilaya of Bejaia), while 02 entrepreneurs came from other wilayas. The majority of them (nearly 80%) have no academic or professional training in the field invested, while one in two entrepreneurs had acquired professional experience related to the company's field of activity. current. It should also be noted that all the entrepreneurs declare that they are on their first entrepreneurial experience, and that no women have been identified among these entrepreneurs.

Regarding the entrepreneurial situation of these companies, we have identified 61% of cases which correspond to new creations, 30% which are part of the extension and continuation of already existing activities, while two entrepreneurs have resumed activity. We also noted the fact that nearly 3/4 of the companies were created after the year 2000, that 85% of entrepreneurs used bank financing at the time of creation and that 78% benefited from tax advantages. granted within the framework of ANDI (National Investment Development Agency).

4-1- The place of innovation in the entrepreneurial project:

The decision to move towards business creation is often the result of motivations of opportunity but also of necessity. In this context, we questioned the reasons and motives that were at the origin of the act of entrepreneurship, with the aim of realizing the importance given to innovation in the management of the project. entrepreneurial.

The results obtained show a priori that innovation does not constitute the main motive in the entrepreneurial project. In fact, 43% of them chose to exploit new business opportunities and only one in three entrepreneurs is driven by the desire to develop new ideas. However, the influence of a family success which reflects the desire to reproduce the success achieved, generally by a loved one, in the business world constitutes the most retained and the most significant motivation in the eyes of the respondents (65%). In our opinion, the latter is part of an approach of imitation of a model and not of innovation. We also retain the aspect linked to making financial profits which seems to be the main motivation for almost half (53%) of entrepreneurs.

At this stage we were also interested in the logic of entrepreneurship of the respondents, by questioning the basis and the initial idea that these entrepreneurs have for creating a business. The results show that the idea of starting a business is mainly based (43% of cases) on the transformation of acquired experience or the valorization of know-how (30%). The implementation of an innovative idea does not seem to correspond to the conception that these entrepreneurs have of the act of business creation.

4-2- The observation of innovation in the SMEs surveyed: The profile of the innovative entrepreneur.

The entrepreneur's innovation activities:

The entrepreneur is considered innovative when he takes advantage of business opportunities in the market, by developing new products or improving existing ones. It is the one who undertakes activities in a different way, with the aim of responding to the needs expressed by the market or opening a new one.

By understanding the following five situations by innovation: A new product, a new manufacturing process, a new relationship with the market, an improvement of the existing product and finally a new location; we are interested in showing the interest given to innovation by the entrepreneurs constituting the sample and the nature of their innovation activities.

When asked whether innovation should be part of their activities, 95% of them responded in the affirmative, and thus declared that their entrepreneurial activities must be part of novelty (innovation).

When we question the nature of innovative activity, among the five innovation situations considered above, the majority declare that innovation should focus mainly on the product(s), either by improving their quality (55%) or by offering new products or a new production concept (55%).

The place of innovation in management strategies:

The way of doing business is generally characterized by two behaviors: the first is characterized by management that aims to maintain the operation of the business created, while the other behavior resides in the implementation of new possibilities and new horizons.

Thus, the respondents were asked if they are just content to maintain the current level of activity or on the contrary their aspirations go beyond this framework, and in the latter case we wondered about the management approach that they intend to adopt among the three following propositions: Search for opportunities (innovation), seizing business opportunities and finally risk-taking in uncertainty.

The results obtained show that nearly 3/4 of the companies do not just maintain the operation of their businesses, but adopt growth and development strategies which are based mainly on the search for new opportunities (innovation), since this is the case for almost 95% of respondents. As for management based on seizing business opportunities, it was chosen by nearly 65%, while only two (02) entrepreneurs highlight risk-taking as a necessary vector for growth and development of the company.

4-3- Innovation practices:

Innovation is the outcome of a process whose implementation requires the combination of a certain number of factors, namely research & development, internal skills, interactions and exchanges between the vectors of innovation. The innovation development department thus constitutes a main source of change. It allows the company to bring novelty to the market, by offering new products or even better quality products, etc.

On this subject, the entrepreneurs surveyed were asked if they have this service within their organization. The results obtained show a proportion of 65% having responded negatively. In other words, two out of three entrepreneurs do not have such a service. The latter cite in particular the limitation of the financial resources available to them to support the effort of this activity, as the main justification.

As for companies that have an innovation development department, the latter is often attached to a department within the organization (marketing, research and development, etc.), whose objectives are often linked to the development of new products, but also to control and monitor the quality of the products marketed, with a view to improving them in response to an increasingly demanding clientele. Finally, the annual budget devoted to this service varies between 2% and 10% of annual turnover.

At this stage, we were also interested in the areas of innovation of the SMEs surveyed. Remember that innovation activities correspond to all technological, organizational, financial and commercial activities, which lead to the implementation of innovation. The latter manifests itself in several forms, depending on whether it concerns the product, the mode of organization, the process, the quality of service and the marketing method. In our case, the results

illustrate that innovation primarily concerns products and methods of organization, with nearly 65% of entrepreneurs who declare having innovated in products, as well as methods of organization and a lower proportion in the use of new processes (47%), while the other two areas of innovation (quality of service and marketing method) only represent low rates of use, which would be linked to sector of activity (agri-food) in which the competitiveness of a product is linked to its intrinsic qualities rather than to aspects linked to its marketing.

4-4- The actors of innovation:

Innovation appears when a change manifests itself in a radical or incremental manner in products, processes, marketing or organizational methods. A change can be considered innovation if the organization perceives something new in this context. Otherwise a simple change cannot be called innovation. The company can be considered innovative when it is among the first users of an invention. Other companies that subsequently follow suit only become imitators.

To the question of whether certain improvements (changes) have been made to the products since the creation of the company; 87% (i.e. 20 companies) responded in the affirmative. As for the origin of these changes, it should be noted that of these 20 companies, 17 (i.e. 85%) emphasize that the basis of these improvements is made up of their own resources (internal innovation), with the contribution of the entrepreneur and/or company staff, who constitute the main vectors of this innovation with 87% and 74% of cases respectively. While 10 companies declare having resorted to external intervention to make certain modifications to their products. In this case, customers seem to be the main drivers of change (61%), while the influence of suppliers seems to be marginal (30%), while the role of the university is insignificant (4.3%), which tells us about the total disconnection between the scientific and academic world and the economic world.

Measures in favor of innovation:

The development of innovation practice requires the establishment of an active and cooperative process between the actors participating in the company's activity, in order to create a favorable context for the emergence of new ideas. Thus, the companies surveyed were questioned about the nature of the measures taken in this context.

The results show that the factors likely to encourage the emergence of new ideas within the company are of a diverse nature. However, the majority agree on the necessity and usefulness of holding regular meetings with managers (65%), encouraging staff to take part in training programs (53%), making changes in the organization of the company (43%) and to a lesser extent, encourage job permutations (35%).

5-Conclusion

At the end of this study, several results were highlighted. First, even if the decision to start a business is the result of several factors, the dimension given to innovation is by far the main reason in the act of creating a business. However,

once established, the majority of these entrepreneurs declare that their entrepreneurial activities must be part of novelty (innovation). Also, more than two thirds of the companies surveyed adopt growth and development strategies which are mainly based on the search for opportunities (new markets, new manufacturing processes, etc.). In addition, nearly 87% say they have introduced changes to their products since their launch. Generally, these improvements come from the exploitation of internal resources within the company (internal innovation), rather than from external interventions.

Innovation can come from several levels (actors). In our case, almost all of the companies in the sample declare that the entrepreneur, staff and customers constitute the main sources of innovation. While the university does not seem to be a main actor, as its role is insignificant in this sense.

Regarding the measures taken to encourage innovation within the company, respondents noted in particular the fact of holding regular meetings with their managers, requiring their staff to participate in training programs training and making changes in the organization of the company, as practices that can ensure a favorable context for the emergence of new ideas (innovation). Finally, the results also show that two out of three companies do not have a research and development department, which would be largely attributable to the financial cost that such a structure would generate within the company.

Finally, even if it provides some elements of response regarding innovation practices within SMEs established in the wilaya of Bejaia, this work has obvious limitations linked in particular to the reduced size of the sample considered, and to the fact that the study only concerns the agri-food industry sector.

Source:

- (A.Tounés, 2003)
- (Verstraete, 2000)
- (Toutain, 2010)
- (Fayolle, 2002)
- (Sabrina ALIANE, 2021)