



Innovation-Led Entrepreneurial Growth Amid Business Disruption: Analyzing Shifts in Social Entrepreneurial Paradigm

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INTRODUCTION

Corporate social responsibility (CSR) can be explained as a way of managing companies based on the management of the impacts that their activity generates on their environment and stakeholders. It can be understood as a cross-cutting concept that affects all operational areas of the company as they are all linked by an activity, a vocation, and a commitment. According to the Corporate Social Responsibility Observatory (2016), this concept addresses three thematic areas that define its multidimensional nature. These are: economic, social, and environmental,

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which derives in different areas of company management, such as human rights, labor and employment practices, health protection, environmental issues, the fight against fraud and corruption, and consumer interests.

As a result, most companies have incorporated active management of CSR issues in their analysis and strategies, as they have a significant influence on company profitability and even on investment risk; in the latter respect, attention to CSR factors is increasingly important in making an investment decision. The reason for this is based on the conflicts provoked by the company itself in the event of not assuming the risks associated with the firm's reputational value, its competitive position, and, consequently, its ability to generate revenues or penalties depending on the results when these criteria are considered or not. Table 16.1 shows a general classification of the risks that are caused by the company itself and that were identified during the preparation of this study.

According to J. Chhadwa et al. (2022), the type of risks that, as an example, are indicated in Table 16.1 assume willingness and responsibility

Table 16.1 General classification of risks caused by the company

<i>Governance-related</i>	<i>Environment</i>	<i>Social</i>	<i>Environment and social</i>
Lack of diversity in administrative committee	Greenhouse gas emissions	Production of unhealthy goods	Damage to the ecosystem
Poor senior management remuneration policies	Water pollution	Misuse of personal data	Lack of respect for animal rights
Deficiencies in transparency and communication with shareholders	Low efficiency in the use of water in production	Lack of worker motivation	
Deficient CSR policies	Low efficiency in the use of raw materials in production processes	Difficulties in reconciling work and personal life	Damage to human communities in production processes
Participation in corruption activities	Low efficiency in the use of electricity in production processes	Deficiencies in the improvement of intellectual capital	

on the part of the company and their implementation requires robust strategic planning, and therefore, a lot of time and patience to observe the expected results. From the above discussion, it can be assumed that the involvement of all stakeholders is imperative to ensure that the company remains in tune with the changing expectations of the business and social environments.

In a post-pandemic context associated with the recent health crisis caused by COVID-19, the actions taken by companies should be decisive in contributing not only to the internal well-being of the firm but also to the generation of greater value for all its stakeholders soon. Therefore, the actions that the company should follow in favor of its environment should be based on an ethical management that goes beyond regulatory compliance and seeks to contribute to the development of the common welfare. In the situation of systemic crisis¹ such as the one we are going through, visionary, and courageous companies are required to act positively in four different dimensions: the business, its employees, its customers, and the environment (social responsibility). In order to achieve it, the company management should be based on fundamental pillars of development that are associated with: operational efficiency (corporate sustainability), caring for the health and well-being of employees, strengthening the links between the company and its customers (value creation), and strengthening the general good of society in terms of creating synergies to promote its development.

According to Jordan Bar Am et al. (2020), the current economic crisis requires leaders to rediscover the needs of customers and evolve along with them; in the case of organizations, the same authors point out that companies can prioritize on valuable problems that address the potential market where the value of customers is assumed as the main generator of concepts to provide real satisfaction in the face of such health phenomenon. Based on the above, this study considers that an important part of the competitive performance of the economy in emerging countries is associated with their small and medium-sized enterprises,²

¹ In the case of emerging countries such as Mexico contextual to the economic crisis caused by economic slowdown followed by the health crisis induced by the pandemic, some authors argue that the best alternatives for recovery lie in a multidimensional development vision that involves political, social, and cultural factors.

² According to G. G. Fang et al. (2022), the SMEs performance could be improved by entrepreneurial orientation and innovation capabilities.

particularly those operating in the secondary sector. According to N. da S. Miranda Junior et al. (2022), a feasible strategy for economic recovery could consist of specializing in labor-intensive activities in order to increase competitiveness in meeting the needs of the population. The industry that belongs to the secondary sector of the economy is important because it uses inputs from the primary economic sector, and in this sense, it can be considered as one of the main economic triggers for the stimulation of the creation of synergies between society and business.

Thus, this study assumes that the secondary sector has much to contribute in terms of CSR and economic development. However, in the face of the crisis already defined, new and innovative ways must be proposed for this economic sector to have a positive and lasting impact on the new needs of its customers. Therefore innovation, as a central element for the creation of value, can be established as the ideal mechanism to take advantage of the opportunities that arise in the face of this crisis. In such a way that, in the face of new market realities and new customer expectations, new business models can be identified to eliminate the barriers that are now being faced during the post-pandemic economic recovery.

In particular, this research study proposes that a real and feasible recovery strategy must involve the specialization of activities, the increase of local competitiveness and a state intervention that determines market policies with a view to the creation of value in the above-mentioned dimensions. Therefore, in the first place, conventional strategies and actions for value creation will be explored. Subsequently, innovative ones are proposed, which are assumed here to be necessary for a real economic recovery in a post-pandemic context. The aim is then to show evidence that allows decision-makers to identify challenges and responsibilities and, in another context, to confront current government policies with the intention of providing perspectives in the contextual framework of the systemic crisis we are going through.

THEMATIC SIGNIFICANCE AND CORE CONTRIBUTIONS

This study proposes a theory-based approach that confronts current business strategies in a context of emerging economies, and particularly, in a post-pandemic scenario has negative implications on the economic and social dimensions of business development. Accordingly, the conceptual study developed here seeks to show that open innovation and corporate

social responsibility,³ together, can have a positive impact on companies for the benefit of social improvement through increased market share and CSR. Thus, the vision proposed here adopts holistic strategies for economic recovery which makes it conditional based on the efficiency in the connections between CSRs and innovative actions. Accordingly, the study contributes to the existing literature by means of a heterodox approach that studies the link between CSR and disruptive innovation as necessary elements for the effective generation of knowledge banks. The above, within what this study assumes as an effective means for post-pandemic economic recovery, i.e., the secondary economic sector.

LITERATURE REVIEW AND THE STRUCTURE OF THE PROPOSITIONS

The analysis developed here is based on the current review of business models of small and medium-sized companies in this sector and assumes the risk and cultural measures that are observed in terms of the commitment of the governments of emerging countries to the economic recovery that is being sought today.⁴ The relationship between competitiveness variables and the social responsibility practices adopted by the governments of emerging countries is also confronted and contrasted with the initiatives proposed here in terms of new corporate social responsibility strategies that are analyzed from some competitiveness indexes.⁵

In the context of this study, collaboration between the primary and secondary economic sectors is of fundamental importance because cooperative relationships exist that foster stronger and more competitive labor markets and, therefore, more resilient in the face of the systemic crisis described. Because of their productive importance, SMEs demand greater

³ According to G. Ivana (2020), SMEs that demonstrate high engagement in the area of innovations have a higher tendency to engage also in CSR.

⁴ In a context of systemic crisis, some authors propose the application of orthodox policies that focus on the specialization of labor-intensive activities to increase competitiveness through systemic state intervention. Among the most fundamentalist theories, the General Theory of J. M. Keynes (1936) stands out, where it can be assumed that an alternative for economic recovery would reside in a two-dimensional strategy: technical and political. This would require a more systemic intervention by the government to promote and implement initiatives in this regard.

⁵ Instituto Mexicano de la Competitividad. (2016, September 14). *Índice de competitividad internacional 2022*. Centro de Investigación en Política Pública.

attention as new paradigms have emerged that limit the actions of the entrepreneur. According to B. Mitrică et al. (2021), in a classic way, both sectors operate through basic mechanisms based on the relationship between public policies, technology, and social aspects that do not necessarily incorporate added value to the productive process. These relationships are established within a framework of standardized procedures in the public domain and, therefore, are easy to operate. Considering that a real economic recovery requires the generation of more competitive markets, disruptive innovation, and CSR play a decisive role. Based on the above, the following research study argues that the current mechanisms of corporate social cooperation can be favored through the incorporation of a new organizational perspective that integrates resources of intangible legitimacy associated with innovation so that they represent opportunities for growth that detonate new routes for the development of the market in which they participate:

RPI: The classic paradigm of entrepreneurship between the primary and secondary economic sectors, which only concerns basic supply-demand mechanisms, can benefit from the incorporation of high-impact ventures that occupy scalable projects that make use of disruptive innovation for the benefit of creating positive impacts on the market in which they compete.

As long as high-impact ventures are characterized by being innovative and represent a positive social commitment, it is possible to achieve sustainable growth of the company whose main motivator is the focus on the customer (Sustainable Business Growth and Profitability from Customer Value Management, 2002). Therefore, the role of the proposed new venture must adopt the economic, social, political, technological, and cultural dimensions since, in this way, the creation of new businesses and their positive impact on the environment where they are developed is feasible.

According to L. Torán Jiménez (2015), from the economic point of view, new entrepreneurship is essential for economic development since both are directly related because decisions regarding entrepreneurship have an impact on economic growth. However, for entrepreneurship to be effective, it requires the implementation of innovative procedures and the promotion of an entrepreneurial culture that addresses new mechanisms of impact and social responsibility. Thus, innovation is proposed as an essential condition for the generation of ideas that, in a context of

economic recovery, make it possible to renew existing capacities based on the demand for new needs arising from the systemic crisis (Valdez-Juárez et al., 2022).

In view of the above discussion, it is proposed that the implementation of innovative business models that go hand in hand with new ways of proceeding and that optimize the necessary supply and demand processes to revolutionize markets, economic models, the way of relating them and the interactions between those whom this study proposes as the economic sectors that can increase competitiveness in the face of such a crisis. In this regard, the second research proposal is established, which points out the route to follow for the consolidation of the attributes that will change and positively impact society to satisfy its new needs:

RP2: The incorporation of disruptive innovation elements in the holistic cooperation models between the primary and secondary economic sectors, promotes the creation of disruptive business models that visibly impact society in terms of the optimization of products, processes and services that satisfy the new needs of the post-pandemic market.

Based on the above, it can be assumed that the new capabilities acquired by the SME's that incorporate disruptive business models will allow the companies to effectively enter the new market that arises from the health crisis and where products and services are offered that are more attractive to the population. Thoughtfully, these new business models allow satisfying new needs that arose due to the current conditions of the environment for the benefit of the strength of both sectors and, therefore, of a real economic recovery. At the same time, it is important to point out that innovation has many connotations and is still not well understood by people or societies, which makes the processes of gestation and competitiveness very difficult.

The present research assumes that, during the post-pandemic economic recovery process, the new market born from it is large enough for secondary sector SMEs to test and validate solutions, refine business models, reach a new commercial scale, and capitalize on market experience. In turn, that this sector benefits from the externalities found in the primary sector and, above all, that new contact networks are generated between the two sectors but now characterized by innovative initiatives that enrich the creation of value chains, providing real economic growth and, at the same time, strengthening both sectors. Based on the above, the following research proposal is established:

RP3: The assimilation of disruptive business models in the secondary sector stimulates sustained economic growth that derives in an economic potential with multidimensional vision.

THEORETICAL MOTIVATION

Small and medium enterprises (SMEs) account for more than half of the formal jobs in the world. According to S. Roper (2011), these companies provide fundamental solutions for development, such as energy, drinking water, sanitation, education, and health. Thus, to drive the sustained growth that is necessary in the post-pandemic phase, these types of companies must be aware of the new challenges for development, especially those related to positive social impact and the provision of new services that consumers will demand during the economic recovery phase.

Nevertheless, the new ways that are determined for an effective economic recovery must assume that the pandemic is not only a health emergency but also a business emergency that has shown that companies need to be resilient and develop positive impact management in terms of their corporate social responsibility. According to A. Khalil et al. (2022), SME's are the most vulnerable group in the context of the recent crisis because such companies do not have the necessary resources to absorb losses. One of the ways to mitigate the negative effects of the pandemic, as pointed out by the same authors, has to do with finding new innovative ways to allow them to operate in the new post-pandemic context. Moreover, it must be recognized that an essential element to sustain the development of these types of companies has to do with government support through the implementation of public policies that have a positive impact on the resilience of the firms.

According to the Mexican Institute of Competitiveness (IMCO) (2022), the 10 most competitive countries in the International Competitiveness Index 2022 stand out for having a more productive labor market and allocate a higher proportion of their Gross Domestic Product (GDP) to spending on research and development. It should be noted that this index captures different aspects of the economic, political, and social structure of the countries evaluated to determine their level of competitiveness. In the case of Mexico, J. Rangel (2021) indicates that SMEs in the construction sector face several important challenges to continue with the economic recovery. The study discussed above states that the

main challenge facing the sector has to do with the post-pandemic stage in which its revenues will be affected by a likely shortfall in the demand for construction services. Therefore, the business models of these companies must adapt to a new normality that, among other things, demands more digital services that are characterized by their ease and speed.

W. Dyduch et al. (2021), stated that the companies, which have dynamic capabilities that allow them a conscious and skillful modification of their strategic potential, derive in key actions for the creation of value, the generation of competitive advantage, and superior performance in the face of environments with uncertainty such as the one we are living. It follows from the above that the main task of companies during the development of their strategic management has to do with searching for the sources of value to capture it and finally create it. It should be noted that in a post-pandemic context; it is important for companies to develop sufficient dynamic capabilities to enable them to identify new sources of value creation arising from the crisis. At this point, it is worth noting that innovation increases the possibilities for such creation and also for generating financial liquidity in the company. In fact, when companies apply innovative methods, they have a greater chance of maintaining positive liquidity and even increasing production levels exponentially. In turn, the development of their dynamic capabilities allows companies to connect with certain internal processes and also value capture mechanisms through the creation of new networks with the target market. Thus, the nature of the dynamic capabilities that the firm develops will enable it to deal effectively with economic uncertainty.

Institutional theory shows, among other aspects, that social needs and environmental impact determine the practices of companies, where innovation plays a very important role in terms of the results sought (Sardon Steinhauser et al., 2022). According to J. Michal and R. Magdalena (2016), the Doblin approach stands out where it is stated that cooperation in external and internal interactions has common mechanisms that help drive functionality within the web of business networks. Based on a multidimensional vision, this approach promotes the creation of knowledge groups that consolidate in three dimensions: consumers, companies, and public entities. Together, it seeks to achieve the optimization of key resources that can add value to the customer proposition but, at the same time, improve production factors such as the technical resources of companies and infrastructure. According to M. Jasiński and M. Rzeźnik (2016), it can be argued that institutional theory is based on innovation

tactics that serve as universal tools for the reinvention of the basic components of business models, i.e., perspectives that emphasize behavioral theories and organizational structures that impact consumer decision. At this point, it is proposed that disruptive innovation can serve as a central tool for resolving the theoretical and practical conflicts that arise in the context of the current economic recovery. It is argued that this can be achieved by determining the practical requirements that affect business models and thus the way the market and industry function in the post-pandemic context.

In turn, as a central element for the creation of value in business and society, disruptive innovation can be understood as an essential element to achieve it. Disruptive innovation is defined as a process by which an existing solution is transformed, usually with the help of technology. According to W. Liu et al. (2020), disruptive innovation has common characteristics, among them, that it is a discontinuous type of innovation in terms of improving the performance of products or services. In turn, from the market dimension, disruptive innovation is initially focused on the marginal or emerging market that is normally not valued due to its low profitability. It should be noted that, in the context of emerging countries, socio-economic and political challenges dictate the organizational perspective of companies based on compliance with social norms and the value of successfully gaining market share. In this regard, the health crisis we are now facing, and the consequent deterioration of the financial sector have highlighted the importance of intangible legitimacy resources in shaping organizational attributes that promote real economic recovery. In the context of emerging markets, this crisis may represent an unusual opportunity to identify growth opportunities for developing companies. Disruptive innovation could be seen as an essential growth mechanism for small companies, in this case in the secondary sector, to grow within their sector and to use innovation as an essential route for the development of the market in which they participate. N. Steenkamp and V. Kashyap (2010) state that the intangible assets that come from innovation are very important for the success and growth of the company.

According to Hang et al. (2010), the rapid development of emerging countries, together with the fact that there is little demand for foreign products, makes emerging economies a valuable opportunity to develop and test disruptive innovations that meet consumer needs. In the context of economic recovery, the emergence of new consumer needs can trigger new mass markets that exploit the interest of raw material production

from the new demands identified by the secondary sector. The development of high-level markets can then be achieved through the creation of joint value between the primary and secondary economic sectors.

CONCEPTUAL FRAMEWORK

The dynamic capabilities that make it possible to increase a company's strategic potential are the key drivers for the creation of value and competitive advantage for the firm. E. T. Penrose (1959), proposed a theory of growth that distinguishes two distinct connotations. The first indicates an expansion of the company in terms of sales, exports, etc., and the second refers to a natural process of the firm in which it determines internal changes that respond to its development needs. Among the most important limitations for the development of companies identified by the same author are the following elements: non-entrepreneurial management, inefficient administration, insufficient capital, and, particularly, the lack of adaptation to circumstantial changes. Based on the above and with the passage of time, the concept of entrepreneurial talent was introduced with the intention of making a difference between companies that remain and those that disappear from the market. In this concept, intangible factors take on a very important dimension, since they are those that effectively enhance the firm's growth by increasing its market share. J. Barney (1986) indicates that the growth of the company is a function of the firm's ability to influence the market through the development of new products and innovations. In this sense, emphasis is given to the formation and diffusion of organizational knowledge to develop the firm's differences on the market. In turn, it assumes that the internal characteristics of the company are heterogeneous in relation to the resources they possess, and this derives in the strategy that the firm implements.

In addition to the internal dimension of the company, this work assumes that, in the face of an adverse context generated by the health crisis, companies must count on the support of the government through the generation of public policies that improve the growth potential of the firms, their innovation, and, finally, their competitiveness. According to A. Durán (2014), SMEs are considered worldwide as the driving engines of economic growth and job creation. These companies are at the core of economic activity and account for most existing jobs. Therefore, the same author considers that the promotion of these types of enterprises should be considered as a viable approach to sustainable development. Hence,

such development requires specific guidelines that, among other things, include strengthened legislation, policies, guiding institutions, and public goods that support the prospects and opportunities for growth within the different economic sectors. That is, public policies that contribute to the sustainability and growth of SME's and that, in a second stage, stimulate innovation processes to contribute to the strengthening and the improvement of the management of these firms.

In the context of the health crisis, SMEs are facing different challenges and opportunities that, by nature, are focused on the intensive support of supply chains. Therefore, innovation takes on great relevance because it can provide companies with a lever for the development of cross-cutting initiatives that are relevant to the economic crisis we are going through. In this regard, the need for sustainable development,⁶ which is becoming more relevant in the post-pandemic context, has motivated SMEs to play an increasingly leading role in terms of innovative development. Some authors suggest that an effective way to contribute to sustainable development is through the intensive progress of innovative solutions, and this is due to the fact that this type of company plays an increasingly important role in the global economy because of its labor share, and, in the best of cases, its capacity to generate business strategies that create value from the linkage with the collective knowledge that can arise during the consolidation of supply chains. According to J. Jin et al. (2022), matching the innovation strategy and the choice of knowledge sources is crucial for the success of innovation in this type of firm. In this regard, the right balance between market demands and the resources available to the firm would represent its key to success.

It can be assumed that one of the main axes for the growth of productive economic sectors is precisely innovation. With this, greater economic value can be given to the productive process and, therefore, provide greater wealth to the SME's that participate in this process. Thus, this article assumes that the introduction of disruptive innovative processes in the relationship between companies in these sectors promotes the

⁶ According to R. Stanisławski (2022), sustainable development, in addition to assuming an ecological dimension, conceives the strengthening of economic, social, and technological aspects. Therefore, this concept should be seen as a multidimensional process involving changes in social structures and in the attitudes of national and supranational institutions with the aim of accelerating ecological growth, reducing inequality and eliminating poverty.

satisfaction of new customer needs in the new post-pandemic context, and, with this, new alternative production and logistics strategies are achieved, resulting in a more attractive market and, consequently, in the new production methods required in the context of economic recovery. In other words, it is suggested that SME's with the quality they possess as an economic engine for development (Durán, 2014) added to the innovation process in the firm will detonate an effective economic recovery that is based on knowledge and new skills that are required today in terms of competitiveness and the ability to create value under an adverse economic context. It should be noted that, at the government level and within the policies established for economic dynamics, industrial promotion policies and initiatives should be established that, due to their level of impact, occupy economic and political research groups with theoretical and applied approaches. In other words, if the strategic sector assumed here (the secondary economic sector) presents a certain level of uncertainty, incentives should be established and the agents that can collaborate in the transmission of knowledge should be coordinated. According to A. Segarra (2014) innovation policy, like industrial policy, entails the adoption of a medium-term strategy with prioritization of sectors and activities, emphasizing the promotion of cooperation between agents in the system. Based on the above, this research study establishes the conceptual framework in Fig. 16.1.

In summary, it is assumed that structural changes are required in the organizational methods for the development of products and processes in the secondary sector, which will result in a sustainable growth strategy based on the creation of value to face the economic crisis we are going through. It is also proposed that the government, particularly that of emerging countries, should provide incentives, policies and public resources for the identification and elimination of market barriers to the benefit of the creation of high-level processes among the productive sectors.

GENERAL DISCUSSION

In the context of a systemic crisis that is characterized as ambidextrous (global and dynamic), SME's must compete to position themselves in the market and, at the same time, struggle to be financially profitable. The nature of SME's in emerging economies plays a decisive role in the post-pandemic economic recovery because today they are considered to

A process model towards a new paradigm innovation-led entrepreneurial growth and business disruption

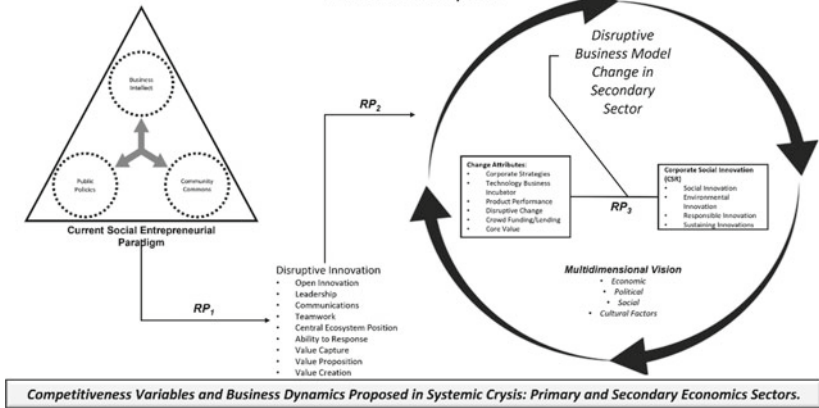


Fig. 16.1 Schematic discussion model (*Source* Authors)

be the main engine of growth in developed economies. Therefore, this research study proposes that multifactor and multidimensional investment in innovation processes for SME’s is critical since this can represent a transforming element for the business fabric of the relationships between economic productive sectors. Based on the theory discussed, there is empirical evidence that the improvement in the competitiveness of this type of company depends on the establishment of a business strategy that invests in innovative elements. In other words, innovation in SME’s must assume a spirit of growth and business development based on capturing new customer needs and, particularly, on the creation of value arising from the opening of new markets that were formed after the health crisis.

It should be noted that because of the size of SMEs and, above all, their limited economic resources, SMEs tend to optimize resources and reduce labor costs. However, this type of strategy is not sustainable over time and even worse, may represent a disadvantage because it does not respond to the new diversity of market needs and the new complexity of the market as a result of the health crisis we are facing. Therefore, innovation must bring a new dimension of growth and value to the customer, allowing SMEs to adapt efficiently. As discussed in this study, the customer and his new needs become the main beneficiary of

such innovation and companies should provide a service that is increasingly personalized and ahead of the customer's needs. E. Revilla et al. (2016) indicates that to achieve this task, companies must match innovation strategy and the choice of knowledge sources to achieve an efficient internal and external network structure; internal in terms of a business strategy that adopts innovation as a source of growth, and external in terms of the linkage, in this case, of the productive economic sectors, particularly the secondary sector. Therefore, this study promotes effective communication between the business sector, the government and, of course, with society, since such cooperation would represent a sustainable growth of the company, society, and the economy itself. Also, business aspects would be improved and, at the same time, would create value and, consequently, promote the economic growth necessary for a real economic recovery. It is worth mentioning that, as a whole, this would result in the creation of new lines of business that would respond directly to the needs of the market in crisis.

Nevertheless, this study contributes to the literature on innovation by SME's, particularly open innovation. The adoption of innovation by SME's is little researched and shows a potential on the adoption of open innovation processes, which have been studied more in large companies.⁷ According to B. G. Góngora and G. A. Madrid (2010), innovation is not a central issue in the support of SME's since public policies associated with the growth of this type of companies focus more on employment generation, increasing business feasibility and minimizing financial and market problems, which implies that innovation is relegated to complementary or secondary considerations.

This study assumes that open innovation is the most appropriate way for SME's to create value because such innovation is characterized by capitalizing on the company's internal and external ideas. Accordingly, the study refers to a process in which different agents participate to develop solutions and solve challenges in a very efficient way. As H. Chesbrough (2005) points out, open innovation combines internal and external ideas within platforms, architectures, and systems, which ensures that the business models that emerge as a result of this process generate value. In turn,

⁷ According to F. I. J. Odriozola (2020), the study of open innovation has been the subject of several studies for large companies. However, SMEs have a more flexible internal structure and shorter decision-making processes, which makes them more susceptible to adapting to incorporate new innovative practices.

the same author distinguishes between two paths for this type of innovation: the outflow of ideas from the organization to the market and inflow of customer needs from the market to the firm. And, in consequence, this derives in collaboration with external agents through the establishment of functional work teams.

Finally, this study considers that the economic crisis we are going through represents a valuable opportunity to radically innovate from the productive sectors. This is due to the innovations that are developed in this context will do so in a market that did not exist until recently. That is, the new needs of today's consumers and the architectures of the products or services that will now be successful are not known with certainty. The new market that emerged during the healthcare crisis is developing in a context where traditional management mechanisms would not necessarily work. Hence, the innovative practices proposed here, particularly within the productive economic sectors, will surely offer disruptive solutions that did not exist before, since they will now have to satisfy unmet needs in the new market that emerged during the pandemic.

CONCLUSION

The main objective of this research has been to demonstrate that, in a context of systemic crisis generated by the pandemic, the best alternatives for economic recovery lie in a multidimensional vision that involves economic, political, social, and cultural factors that allow the design of an effective development strategy. Accordingly, it has been considered that new public policies aimed at post-pandemic economic recovery should include innovative elements that involve the adoption of a medium- and long-term strategy that prioritizes the productive sectors, particularly the secondary economic sector. Particularly in the case of emerging countries, and in the context of the economic crisis we are currently experiencing, in-depth strategies must be developed that adopt an innovation-driving dimension that will lead to the strengthening of the productive fabric of the economy. In other words, innovation should be consolidated in the economic recovery strategy as an element that allows SMEs to penetrate markets with added value. These economic recovery policies must adopt new organizational methods that must be multifactorial (society, culture, sustainability, government, environment, etc.) and lead to innovations in products and services, but also in processes within the functional framework of the new market and government strategies.

It should be noted that, among the main obstacles to the implementation of this strategy, the research work has identified the lack of awareness on the part of the authorities to give priority to innovative initiatives. This is particularly due to the fact that public policies aimed at strengthening SME's assume their capacity as fundamental sources for the generation of employment as the main axis for their growth. An additional obstacle that stands out from the research is the lack of qualified personnel to carry out the innovative processes that the company needs. Therefore, the incorporation of specialized human capital or the training of the company's existing personnel is required to efficiently carry out the activities related to the innovative process.

In conclusion, this study suggests that innovative strategies for SME's are the basis for helping the economy of emerging countries to cope with post-pandemic market turbulence. Moreover, it is proposed that SME's belonging to the secondary sector of the economy use innovation as a collaborative tool to generate new channels of communication and distribution between primary sector suppliers and public policies orchestrated by the government. With this, the companies could develop business models that conceive a strategy based on the new market. That is, optimize the value chains that are formed between stakeholders in terms of marketing. In view of the discussion in this study, a business strategy based on networks characterized by closer communication between the productive sectors, but which also receives information from the market itself and, in turn, determines new channels of communication between the government, society, and the company itself. It is suggested then that this type of strategy transforms the business but, consequently, responds to the demands of the new market. This can happen if SME's, in collaboration with government and society, focus on those strategic assets that offer the most value to the market. That is, the new initiatives for post-pandemic economic recovery should seek growth opportunities through participative innovative processes.

IMPLICATIONS IN THEORY AND PRACTICE

The first mentions of the concept of open innovation were found in the book by H. Chesbrough (2005). In which, the author states that most companies develop their innovation strategies in a closed way, so that when a product or service is ready to be marketed it is distributed without any cooperation from agents outside the company. Thus, these ways of

carrying out the innovative process are focused on the ideas generated within the company, which are then developed, patented, and launched into the market. However, with a view to developing viable alternatives for post-pandemic economic recovery, this article proposes a heterodox conception of the theory of open innovation developed that, in principle, provides good expectations in terms of the application of its fundamentals to SMEs in the secondary sector. However, in turn and with greater emphasis, it is developed in a model of open collaboration where, from the generation of feedback systems between external agents, multiple actors can contribute to the incubation of new developments.

Nonetheless, beyond conceiving open innovation as a collaborative model, this article proposes that the key to its success in a context of systemic crisis is the search for effective participation between business, society, and government. And this leads to the generation of products or services that will respond more effectively to the new market needs that emerged from the health crisis (Panja & Choudhury, 2022). The combination of knowledge that emerges from this collaboration scheme will result in the creation of value that the new market needs to sustain the economic development of emerging countries.

For SME's in the secondary sector, this work also assumes that thanks to the implementation of open innovation and collaboration with external agents, new products, or services can be conceived efficiently and very economically. In the current economic crisis scenario, it is essential to develop products or services that are close to real demand, and the way proposed here is to use innovation as a source of knowledge. At the same time, with the intention of achieving a better understanding of the new post-pandemic market, it is proposed that the behavioral changes arising from the identification of new consumer needs have an impact on the development of disruptive strategies that offer the best approach between supply and demand of the new market. Moreover, the turning point represented by the health crisis for the economy of emerging countries will allow the relationship between business, government, and society to be consolidated in order to take advantage of disruptive innovations that were already on the market but had not been applied because they were considered inappropriate for a market prior to the one that now prevails.

In the context of emerging countries, the public policies that have been documented for the benefit of SMEs maintain a limited and biased planning system that ignores the importance of generating sustained growth based on an understanding of the real needs of customers. These

laws apparently do not consider real demand planning, much less the management of supply chain optimization. Thus, it is argued that open innovation, in conjunction with the collaborative paradigm proposed here, can be very useful in times of crisis, since communication between stakeholders would make it possible to meet real demand based on the new needs identified in the current context. In other words, if innovation is established as a key focal point for the economic development of SMEs, it must be assumed that the most important thing is to effectively identify what the customer needs and, secondly, how to provide an effective response that avoids the threats that may exist in the process of collaboration between parties. Therefore, it is proposed here that a solid way to help stabilize the market in times of crisis is by optimizing the value chain between productive economic sectors.

FUTURE RESEARCH

The theory discussed in this research, which supports open innovation as a guiding axis for economic recovery, allows us to argue that its effective application in SME's would lead to potential economic growth by increasing the competitiveness of the productive sectors. It should be understood that in the current context; the universe of SME's in emerging economies not only represents an essential engine for job creation but also a guiding axis for expansion and acceleration of economic growth.

From the point of view of an economic recovery sustained on the pillars of innovation, it is essential to analyze the series of factors that shape the business models of the companies that now need to know in depth the new market that emerges from the health crisis. In other words, a holistic vision of the post-pandemic ecosystem is now required to find new ways of creating value in a new virtuous circle of growth that conceives the effective interaction of business, society, and government. Accordingly, the main limitations identified in this study lie in a sectorial vision that, although it assumes the interaction of the productive and raw material sectors, does not study additional supports that can be found in other elements of interaction with the SME's, such as the scarce empirical information available on the new market and the asymmetry existing between the laws, initiatives, and legislations that arise from it.

Among the elements that theory recognizes as drivers of SME growth, but which have not been explored in this study, are financial control, the use of economic resources and the development of growth strategies with

an administrative and, at the same time, financial vision. Therefore, it is suggested that new empirical studies should be carried out to take an integral view and, above all, to determine how the typology of companies that use open innovation models are capitalizing on the benefits that their performance in the market brings them globally.

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