STRATEGIC ENTREPRENEURSHIP: LINKING STRATEGY TO OUTCOME IN RADICAL INNOVATION PROJECTS (INTERACTIVE PAPER)

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Recommended Citation
Lassen, Astrid Heidemann and Laugen, Bjørge Tiemenes (2007) "STRATEGIC ENTREPRENEURSHIP: LINKING STRATEGY TO OUTCOME IN RADICAL INNOVATION PROJECTS (INTERACTIVE PAPER)," Frontiers of Entrepreneurship Research: Vol. 27: Iss. 21, Article 9.
Available at: http://digitalknowledge.babson.edu/fer/vol27/iss21/9

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Principal Topic

In light of the increasing needs for innovation faced by firms in complex markets, the construct Strategic Entrepreneurship is gaining attention. This construct calls for integration of the seemingly opposing logics of strategic advantage-seeking/entrepreneurial opportunity-seeking behaviour. Theoretically, the SE construct is well-argued, but few studies have provided empirical evidence of the effect strategic behaviour has on the intensity of innovation achieved through entrepreneurial behaviour. Entrepreneurial behaviour is seen in Schumpeterian terms and related to successful development of radical innovation. The article addresses two main questions: (RQ1) To what extent does increased focus on innovation in the corporate strategy influence the mix between projects of low and high intensity innovation? (RQ2) How are outcomes of innovation projects influenced by the intensity of innovation created in these projects?

Method

Five specific hypotheses are formulated on the expectations to empirical evidence of the difficulties of integrating the opposing forces of strategic behaviour and entrepreneurial behaviour. The hypotheses are following tested through a survey sample of 512 questionnaires from Danish engineer.

Results and Implications

Findings to the 1st research question suggest that, contrary to hypothesized, firms which successfully carry out radical innovation to a very high degree are strategy-driven, and that they are able to exploit radical innovation within the existing frames of the organization, as a way to evolve and transform the original firm. Increasing focus on innovation in corporate strategy causes increases in level of all innovations, from low intensity innovation to high intensity entrepreneurial innovation, but significantly more so in the latter. In answer to the 2nd research question it is found that such strategy-driven radical innovation projects are surprisingly often use in relation to extension and strengthening existing markets as well as to establish new business areas. Furthermore, radical innovation projects significantly more so than medium and low intensity innovation projects result in spin-offs, although on a very low level. Hence, empirical support is found for the Strategic Entrepreneurship construct. Theoretically, the article contributes to the development and further underpinning of the field of SE. On a practical level, the results will add noticeably to knowledge on management practices of corporate entrepreneurship.

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