6-9-2012

INSTITUTIONAL CONFIGURATIONS IN INNOVATION AND ENTREPRENEURSHIP: A MULTI COUNTRY STUDY (INTERACTIVE PAPER)

Manjula Salimath
University of North Texas, Manjula.Salimath@unt.edu

John B. Cullen
Washington State University

Recommended Citation
Available at: http://digitalknowledge.babson.edu/fer/vol32/iss16/11

This Interactive Paper is brought to you for free and open access by the Entrepreneurship at Babson at Digital Knowledge at Babson. It has been accepted for inclusion in Frontiers of Entrepreneurship Research by an authorized administrator of Digital Knowledge at Babson. For more information, please contact digitalknowledge@babson.edu.
Principal Topic

The role of institutional environments in promoting entrepreneurship has been examined by prior scholars. Likewise, institutional environments are known to influence the extent and nature of innovation. However, these dependent variables have often been considered separately. We do not have a clear understanding of whether these institutional environments have similar or differential impacts when both innovation and entrepreneurship are considered. This is important since government policies are often made with the assumption that both innovation and entrepreneurship will be affected in the same way (i.e., positively) as a result of promotional initiatives such as tax breaks, incentive schemes, etc.

Method

We examine institutional environments of multiple countries at varying levels of development and GDP in relation to innovation rates and rates of entrepreneurship. Our dynamic examination considers a complex of salient institutions (political, regulatory and business environments) that are related to innovation and entrepreneurship at the national level. We utilize data from sources such as the World Bank, OECD, United Nations, UNCTAD, UNESCO, Global Entrepreneurship Monitor, etc. Analysis was conducted to examine whether specific configurations of institutions were more or less conducive to higher rates of innovation and entrepreneurship.

Results and Implications

The study simultaneously considers both innovation and entrepreneurship rates across countries at varying levels of development and growth. In addition, the study examines a complex configuration of institutional environments that allows comparisons between nations. We advance our understanding of the differential effects of institutional configurations on innovation and entrepreneurship, as well as give important insights to policy makers who are seeking to promote the development of their nations via accelerated and competitive innovation and entrepreneurship.

From a practical perspective, government policies that seek to promote innovation vs. entrepreneurship may need to be unique. Patterns of institutional environments may not have the same impact on both innovation and entrepreneurship. Further, levels of development may have to be considered when evaluating the impact of national institutional configurations on innovation or entrepreneurship. Theoretically, the paper advances the configurational approach to entrepreneurship (Salimath, Cullen & Umesh, 2008) and extends it to innovation in a global context.

CONTACT: Manjula Salimath; Manjula.Salimath@unt.edu; (T): + 1 9405654937; (F): 9405653803; Department of Management, College of Business, 1307 W. Highland Street, University of North Texas, Denton, TX 76201, USA.