

6-7-2014

DRIVERS OF INNOVATION PERFORMANCE - A LONGITUDINAL VIEW ON THE ROLE OF ENTREPRENEURIAL ORIENTATION AND ENVIRONMENTAL FACTORS (SUMMARY)

Alexander Brunst

RWTH Aachen, Germany, brunst@win.rwth-aachen.de

Malte Brettel

RWTH Aachen, Germany

Recommended Citation

Brunst, Alexander and Brettel, Malte (2014) "DRIVERS OF INNOVATION PERFORMANCE - A LONGITUDINAL VIEW ON THE ROLE OF ENTREPRENEURIAL ORIENTATION AND ENVIRONMENTAL FACTORS (SUMMARY)," *Frontiers of Entrepreneurship Research*: Vol. 34 : Iss. 14 , Article 5.

Available at: <https://digitalknowledge.babson.edu/fer/vol34/iss14/5>

This Summary 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 editor of Digital Knowledge at Babson. For more information, please contact digitalknowledge@babson.edu.

≈ SUMMARY ≈

**DRIVERS OF INNOVATION PERFORMANCE -
A LONGITUDINAL VIEW ON THE ROLE OF ENTREPRENEURIAL
ORIENTATION AND ENVIRONMENTAL FACTORS**

Alexander Brunst, RWTH Aachen, Germany

Malte Brettel, RWTH Aachen, Germany

Principal Topic

It is a continuous task of an entrepreneurially oriented firm to be more innovative than its competitors (Lumpkin & Dess, 1996). Firms that innovate faster than others can rely on this capability as a source of competitive advantage (Artz et al., 2010; Srivastava et al., 1998). As such it is surprising that few studies thus far have analyzed the link between entrepreneurial orientation (EO) and innovation outcomes (Maatooft & Tajeddini, 2011). This study fills this gap by investigating the relation between EO and innovation outcomes taking the moderating roles of economic and market turbulence into account (Tosi et al., 1973).

Method

We use secondary data to analyze the impact of EO on innovation outcomes. We chose a sample of large US-based firms, as they in particular need to be innovative in order to be able to compete in global markets (Phan et al., 2009). Our sample comprised 56 firms for which data was collected from 2002 to 2010. Innovation outcomes were measured as new product announcements from FACTIVA (Arzt et al., 2010) and split into incremental and radical innovation (Grupp, 1994). We investigated EO at firm level, using an approach based Miller & Le Breton-Miller (2011). Economic turbulence was measured as the change in GDP, market turbulence as the coefficient of variation of net income by industry (Tosi et al., 1973).

Results & Implications

Findings suggest that entrepreneurially oriented firms outperform less EO oriented competitors when bringing forward radical innovation. This is a crucial finding, as conquering new markets will mostly require significant alterations to given technologies. Results indicate that incremental innovation efforts are dependent on industry and economic conditions. Radical innovation outcomes were affected by market turbulence, but not by economic turbulence. This paper contributes to existing knowledge. It shows that firms produce less innovative outcomes under turbulent industry conditions. In addition, it reveals that entrepreneurially oriented firms can successfully pursue radical innovation activities despite economic turbulence. These findings are relevant for practitioners as they provide insights on the contingent drivers of innovation outcomes. This work spurs further research into the mechanisms to transform resources into new product or service offerings.

CONTACT: Alexander Brunst; brunst@win.rwth-aachen.de; (T): +49 176 70050413; (F): +49 241 80 92371; Kackertstr. 7, 52072 Aachen; Germany.