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HOW ENTREPRENEURIAL PASSION AFFECTS INNOVATION IN NEW PRODUCT DEVELOPMENT (SUMMARY)

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≈ SUMMARY ≈

**HOW ENTREPRENEURIAL PASSION AFFECTS INNOVATION
IN NEW PRODUCT DEVELOPMENT**

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Principal topic

Innovation through new product development (NPD) is a major challenge for established firms, yet understanding of success factors is still limited (Evanschitzky et al. 2012). On the firm level, positive affect (Baron & Tang 2011) and entrepreneurial passion for inventing (Strese et al. 2016) are positively related to frequency and innovativeness of new product introductions. Entrepreneurially passionate leaders may show strong engagement and positive emotions towards activities associated with generating and developing ideas into new product opportunities (Cardon et al. 2009). On the NPD project level, team leaders' personal characteristics and leadership styles are associated with project results (e.g. Sarin & Mcdermott 2003). Thus, a project leader's entrepreneurial passion supposedly relates to the outcomes of corporate NPD projects. However, the role of entrepreneurial passion in NPD projects remains unexplored. Therefore, this study aims at adding insights on the consequences of entrepreneurial passion for NPD product innovation and effectiveness and at investigating whether this relationship is mediated by an entrepreneurial leadership style.

Method

We have conducted a survey among German manufacturing and service companies addressing respondents with a leadership role in recently completed NPD projects that achieved market launch. We have gathered data on more than 300 NPD projects. The independent variables were operationalized by Cardon et al.'s (2013) measures of entrepreneurial passion for inventing, founding and developing. The mediator entrepreneurial leadership is based on the construct from Renko et al. (2015). Technological and market turbulence are taken from Mu (2015) organizational adaptation mechanism exploitation and exploration, organizational structural factors, and new product development (NPD while NPD outcomes are assessed based on Brettel et al. (2011) cross-functional integration is a highly complex phenomenon which does not allow general conclusions in terms of performance impacts. Therefore, the present study assesses the impact of integrating the R&D, marketing, and manufacturing functions on the effectiveness and efficiency of new product development (NPD. Structural equation modelling has been employed to test our hypotheses.

Results and Implications

Our results indicate that entrepreneurial passion for inventing, founding and developing are associated with the effectiveness and efficiency of NPD projects, mediated through an entrepreneurial leadership style. Interestingly, the direction of these indirect effects depends on the three dimensions of entrepreneurial passion. This paper contributes to existing literature by demonstrating that entrepreneurial passion makes a difference in NPD projects and by adding insights into its ambivalent role with regard to outcomes of new product development efforts.

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