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BREAKING THROUGH BARRIERS: LOWERING RADICAL INNOVATION BARRIERS WITH EFFECTUAL BEHAVIOR (INTERACTIVE PAPER)

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≈ INTERACTIVE PAPER ≈

BREAKING THROUGH BARRIERS: LOWERING RADICAL INNOVATION BARRIERS WITH EFFECTUAL BEHAVIOR

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Principal Topic

Over the last 15 years, effectuation has gained much attention in entrepreneurship literature. However, recent criticism has questioned its value within academic discussion. This criticism is the result of several factors, such as the lack of clearly identifying effectual consequences. In order to create a better understanding of those consequences, the following study considers effectuation as an early-stage opportunity creation process. In addition, this study argues that effectuation has the goal of designing sufficient conditions for the development of new opportunities. Therefore, this research project assesses perceived radical innovation barriers as consequences of effectuation. It is hypothesized that the central effectual notions of co-creating opportunities with committed partners and openness towards contingencies reduces the fierceness of perceived radical innovation barriers. Contributions to the effectuation and radical innovation literature are discussed.

Method

Data was collected from established corporations by means of an online questionnaire. Management members and firm owners were asked to respond to each item from a firm-level perspective. A total of 153 usable responses were collected and used for the analyses. Effectuation was measured as a firm orientation and several radical innovation barriers were included. Multiple regression analyses were conducted to test derived hypotheses.

Results and Implications

Preliminary findings show several interesting effects between an effectual firm orientation and perceived levels of radical innovation barriers. Contingency and means orientation show negative relationships towards barriers related to market competition through dominant market players, constraining terms imposed by workers' councils and restrictive management mindsets towards innovation. Interestingly, some effectual dimensions also correlate positively with innovation barriers. For instance, a higher partnership orientation is associated with a more strongly perceived competition barrier. Therefore, the attempt to co-create the environment through stronger partnerships with competitors might be perceived as being more difficult in markets that are dominated by some competitors.

Overall, this study contributes to the effectuation and innovation literature by showing the consequences of an effectual firm orientation, while also introducing effectuation as a way to manage the fierceness of perceived radical innovation barriers. From a practitioner perspective, this study aims to move the effectuation discussion from a "high-level" academic perspective to a discussion that can promote effectuation amongst practitioners through more tangible consequences.

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