



Contents lists available at ScienceDirect

Journal of Business Research

Use of infrastructures to support innovative entrepreneurship and business growth[☆]Norat Roig-Tierno^{a,*}, Joaquín Alcázar^b, Samuel Ribeiro-Navarrete^c^a Valencia International University, Carrer de Gorgos, 5, 46021 València, Valencia (Spain)^b Universitat Politècnica de València, CEEI de Elche, Ronda Vall d'Uixó, 125, 03206 Elx, Alicante, Spain^c Universitat de València, Avenida de los Naranjos S/N, Spain

ARTICLE INFO

Article history:

Received 1 September 2014

Received in revised form 1 March 2015

Accepted 1 April 2015

Available online xxxx

Keywords:

Entrepreneurship policy

Incubators

Technology centers

Universities

Young innovative companies (YICs)

QCA

ABSTRACT

This research examines the relationship between growth and the use of support infrastructures for innovative entrepreneurship. The study considers three types of support infrastructure: incubators, technology centers, and universities. Employing crisp-set qualitative comparative analysis (csQCA), the study tests the existence of such relationships using empirical data from a sample ($n = 107$) of young innovative companies. Results show that combining the use of incubators, technology centers, and universities can positively affect young innovative companies' growth.

© 2015 Published by Elsevier Inc.

1. Introduction

Although the relationship between business spirit and economic development is complex (Minniti, 2008; Santarelli & Vivarelli, 2007), empirical evidence shows that public policies can contribute to economic growth by boosting innovation and strengthening new entrepreneurial projects (Hart, 2003; Kuratko, 2013). Innovative entrepreneurship support infrastructures (IESI) exemplify policies that foster entrepreneurship and innovation (Belso-Martinez, Molina-Morales, & Mas-Verdu, 2013; Bruneel, Ratinho, Clarysse, & Groen, 2012; Dee, Livesey, Gill, & Minshall, 2011).

Distinctions exist between incubators and technology centers, which are two of the most popular instruments that governments employ to strengthen entrepreneurship and innovation, especially at the regional level (OCDE, 2011). Universities, as institutions responsible for creating and transferring knowledge through both education and collaboration with businesses, also fall into this group of infrastructures.

Recently, the use of IESI is attracting attention from academics and policymakers at all administrative levels (local, regional, national, and supranational). Innovation and entrepreneurship—individually or jointly—are fundamental for economic well-being and growth. Therefore, this study's analysis of linkages between growth and the use of

IESI focuses on a particular type of firm with very specific characteristics: young innovative companies (YICs), which are innovative by definition. Although all YICs innovate, some YIC are more innovative than others (Mas-Tur & Ribeiro, 2014). This study explores the relationship between YICs' use of IESI and growth of YICs.

Section 2 describes public policies to support innovation and entrepreneurship by explaining public infrastructures in this field: incubators, technology centers, and universities. This discussion stresses these infrastructures' effect on entrepreneurial growth. Section 2 ends by describing YICs, a group of highly innovative firms that provide the focus for this research. Section 3 describes the method, namely crisp-set quality comparative analysis (csQCA). Section 4 sets forth the study's main findings. Finally, Section 5 presents conclusions, implications, limitations, and research opportunities.

2. Theoretical framework: innovative entrepreneurship policies and YICs

2.1. Policies to support innovation and entrepreneurship: infrastructures

Entrepreneurship policy seeks to create an environment that offers support mechanisms to encourage new entrepreneurs and help those entrepreneurs to overcome problems in the start-up phase (Karlan & Valdivia, 2011; Lundström & Stevenson, 2005). Entrepreneurship policy thus aims to stimulate, socially and economically, the emergence of productive entrepreneurial undertakings (Henrekson & Stenkula, 2010).

Public infrastructures to support innovative entrepreneurship are among the instruments that governments deploy to strengthen

[☆] The authors thank Domingo Ribeiro-Soriano and Alicia Mas-Tur for their methodological assistance.

* Corresponding author.

E-mail addresses: norat.roig@viu.es, noratroig@gmail.com (N. Roig-Tierno), jalcazar@ceei-elche.com (J. Alcázar), samuel.ribeiro@uv.es (S. Ribeiro-Navarrete).

entrepreneurship and innovation (OCDE, 2011). Such infrastructures act as intermediaries (Chatterji, Glaeser, & Kerr, 2013), and their principal mission consists of providing services that aim to boost one or more phases of innovative activity in the fields of knowledge and technology creation and acquisition. Public infrastructures also prepare companies to produce and commercialize their products or services. This study addresses three types of entity that play key roles in the three-way interplay between academia, government, and enterprise (Autio, Kenney, Mustar, Siegel, & Wright, 2014; Lee, Hwang, & Choi, 2012; Link & Scott, 2010): incubators, technology centers, and universities.

These intermediaries act as public policy instruments to support innovative entrepreneurship in the following ways. First, incubators for innovative enterprises are local support instruments for innovation (Ebberts, 2014; Soetanto & Jack, 2013; Xiao & Ramsden, 2013). The most advanced incubators offer numerous services. (1) Incubators identify business opportunities to allow entrepreneurs to develop their business initiatives and offer advisory services and information about markets, technology, innovation, financing, legal procedures, and the like. (2) Incubators produce viability plans (to analyze the potential of a new business project and plan its development) and provide training to entrepreneurs so that they may acquire knowledge and skills in business management. (3) Incubators help to launch and accompany new business ventures during their initial years, which are usually critical. (4) Incubators provide infrastructure and facilities to accommodate new innovative firms in the short term. (5) Incubators develop businesses to consolidate new firms (offering support) by creating a suitable environment that allows firms to develop, create employment, and compete in their local market.

Extensive research from the eighties discusses the debate among scholars and policymakers regarding approaches to promoting local economies (Eisinger, 1988). Instead of focusing on attracting foreign investment, regional governments may try to harness their local environment's potential (endogenous development) to create employment and stimulate industry. As instruments that enable entrepreneurs to create and develop businesses, incubators offer such a way of harnessing this potential.

Proposition 1. Firms that use incubators achieve higher growth than firms that do not.

The second entity to offer infrastructures that assist innovative entrepreneurs is the technology center. Technology centers aim to promote and disseminate innovation and technological development as a means of improving entrepreneurial competitiveness (Albors-Garrigós, Rincon-Díaz, & Igartua-Lopez, 2014; Barge-Gil, Santamaría, & Modrego-Rico, 2011; Berger & Hofer, 2011; Mas-Verdú, 2007). Technology centers are intermediary organizations with a strong foothold across Europe.

These centers (research and technology organizations) encompass a broad spectrum of entities that vary across countries. Origin, longevity, size, objective, and target group differ by country, which prevents the identification of a common European technology center model (European Commission, 2011). Nevertheless, all technology centers share certain characteristics, such as an orientation toward industry and the provision of services to support innovation (Huang, Yu, & Seetoo, 2012).

These services seek to resolve several problems. Short-term problems are immediate and relate to company launch. Hence, technology centers offer services such as test laboratories. Essentially, short-term actions help to control and ensure the quality of raw materials, products in development, and final products. In the medium term, problems relate to the maintenance and improvement of business production processes. These processes include technological services that range from the conception and design of new products to manufacturing and organization. Finally, in the long term, technology centers perform services that relate to R&D projects (new production processes, methods, etc.)

whose aim is, among others, growing the businesses within the technology center (Berger & Hofer, 2011).

Proposition 2. Firms that have an affiliation with technology centers grow more than firms that do not.

The third type of institution that provides infrastructures to enhance innovative entrepreneurship is the university. Universities form a fundamental link between business and growth. At the regional level, universities are responsible for knowledge creation and transfer and for potential entrepreneurs' education. Hence, universities' technological profile and capacity to respond to challenges can affect innovative business initiatives (Lundström & Stevenson, 2005; Soh & Subramanian, 2014). Specifically, incubators that have affiliations with universities work with the most innovative firms, which usually have the greatest growth potential. Not all universities, however, have an entrepreneurial culture or enjoy favorable business surroundings. In addition to technology and facilities, people (i.e., talent) represent one of the main contributions universities make to entrepreneurial activity.

One advantage for businesses with links to universities is access to knowledge-based assets, which can help innovative businesses. Nevertheless, some trade-off risks apparently exist (Rothaermel & Thursby, 2005) when new firms have strong links to universities. Such risks may arise because of a technology license between the university and the business or because university faculty form part of the management team. In some cases, inventors' participation in the new business may excessively reinforce intellectual property protection, whereas in other cases, the developers of a nascent technology may express an optimistic bias as to that technology's actual capabilities.

Proposition 3. Having links to universities increases new firms' growth.

2.2. Innovative entrepreneurial activity and growth: The case of YICs

Numerous studies identify the existence of a positive relationship between innovative entrepreneurial activity and territorial growth (Audretsch, Keilbach, & Lehmann, 2006; Buddelmeyer, Jensen, & Webster, 2009; Kelley, Singer, & Herrington, 2012; Reynolds, Hay, Bygrave, Camp, & Autio, 2000). One of the first authors to highlight how firm creation and expansion affect economic growth and employment is David Audretsch. Building on an in-depth analysis of all US firms between 1969 and 1976 Audretsch and Feldman's (1996), findings show that small firms create 81% of jobs. Recent studies report that entrepreneurial initiatives contribute to higher levels of economic development (Audretsch et al., 2006; Buddelmeyer et al., 2009). Global Entrepreneurship Monitor (GEM) studies (Kelley et al., 2012; Reynolds et al., 2000) also confirm this positive relationship between innovative firms and growth.

To refine the vision regarding the role of IESI, this study focuses on young innovative companies (YICs). YICs are firms with less than 8 years' activity and with innovative products or processes starting in the last 3 years (Mas-Tur & Simón-Moya, 2015; Pellegrino, Piva, & Vivarelli, 2009). Studies show that this type of business is fundamental to transforming an industry's structure, contributing to economic growth, and spreading innovation throughout a territory (Azagra-Caro, Mas-Verdú, & Martínez-Gómez, 2012; Schneider & Veugelers, 2010). Thus, academics and politicians show increasing interest in YICs (BEPA, 2008; Coeurderoy, Cowling, Licht, & Murray, 2012). Indeed, several European Union member states run programs to establish, consolidate, and develop YICs (Veugelers, 2009).

Wassdorp (2002) distinguishes between business initiatives with an innovative component and business initiatives that are habitual, common, or frequently occurring (ordinary). Innovative business initiatives contribute principally to higher growth rates and the creation of jobs with greater value added.

Proposition 4. YICs that are more innovative lead to higher growth rates.

Download English Version:

<https://daneshyari.com/en/article/10492683>

Download Persian Version:

<https://daneshyari.com/article/10492683>

[Daneshyari.com](https://daneshyari.com)