ABSTRACT

This dissertation investigates how strategic innovation is related to entrepreneurship. Though innovation and entrepreneurship are highly related and bound to each other, innovation as a process is still complex in new ventures. The process is complicated in new ventures because of limited resources, lack of experience and risk-taking abilities. Past research has shown that strategic innovation is often prevalent in the context of established firms rather than new ventures. Paradoxically, leading entrepreneurs in the world have shown strong strategic innovation intent despite limited resources and other mentioned constraints. Currently, the knowledge base in this area is incomplete and fragmented. It lacks a coherent structure that would allow entrepreneurial organisations to achieve competitive advantage through strategic innovation. Therefore, this thesis embeds the strategic innovation in entrepreneurship from all perspectives, including entrepreneurial behaviour, innovative business functions, and firm performance.

Initially, a brief introduction to the context of this thesis is given followed by a comprehensive literature review on strategic innovation, entrepreneurship, and relevant theories. Drawing from published literature, this dissertation identifies factors of strategic innovation in context to entrepreneurship. The strategic innovation factors are cross-compared in different case organisations with respect to the roles and functions. With the available case facts on strategic innovation factors, it is observed that primary functions pertaining to each factor is similar in different entrepreneurial organisations. With the identified factors, it is attempted to conceptualise the interplay of factors in an entrepreneurial organisational setup. The thesis presents a hierarchical model illustrating the interrelationships between the factors. Further, in the conceptualisation phase, the model is simplified and transformed into a multilevel mediation model to demonstrate hypothesised relationships among strategic innovation factors and firm performance.

The hierarchical model conceptualised through argumentation-based TISM (Total Interpretive Structural Modelling) is used as a base for predictive modelling. For this predictive modelling purpose, the thesis proposes and illustrates a novel methodology which incorporates fuzzy-set theory in the existing TISM method. The conceptualised TISM model for strategic innovation in new ventures in simulated is using the proposed method to develop scenarios of integrated innovation system in new ventures.

A secondary data-based study in the context of innovation and entrepreneurship is presented. The model is tested with datasets representing Indian and Global entrepreneurship. The comparison-based examination outlined the differences in the scenario of strategic innovation in India and at the Global level. The results are further utilised for fuzzy logic-based simulation, where a holistic scenario is developed illustrating various possible interplay of factors.

The thesis also presents a primary data-based study inclusive of factor analysis and empirical testing of models. Following factor analysis, both hierarchical and the multilevel mediation model developed in the conceptualisation phase are empirically tested using primary data. It is observed that the hierarchical model representing the integrated system of strategic innovation is conceptually more valid.

An attempt has been made to study the dynamic behaviour of strategic innovation system in an entrepreneurial organisation. System dynamics-based case study is performed to capture the dynamics and actual reflections of strategic innovation in a case organisation.

Summing up, the last section of the thesis provides a conclusive understanding of strategic innovation in new ventures with a summary of major findings, strategic recommendations, significant research contributions, and direction for future research.