

Impact of Information Technologies, Corporate Entrepreneurship and Innovation on the Organizational Performance: A Literature Review

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ABSTRACT

Information Technology (IT) capabilities play a fundamental role on process innovation and organizational performance. Likewise, corporate entrepreneurship (CE) plays a vital role in the improvement of performance, as the employees' profile is determinant for the success of these organizations. Previous literature relating to IT and CE reveals how little attention has been paid to relationship between these constructs, and what exists is only partial. This research conceptualizes the relationship between IT capabilities, CE, and innovation on the organizational performance. It is intended as a contribution to the ongoing conceptual development of this area and provides initial guidance for future empirical evidence. Thus, the authors advance a synthesized conceptual model in order to evaluate the influence of IT capabilities (IT flexibility, IT integration and IT alignment) to the CE process, through innovation on the organizational performance. The authors create an initial construction of the scenery grounded in past literature, which is refined and reinforced into a conceptual model advancing in theoretical development in the field. Some future research and implications are discussed.

KEYWORDS

Corporate Entrepreneurship, Entrepreneurship, Information Technology, Innovation, IT Capabilities, Organizational Performance

1. INTRODUCTION

Presently, enterprises operate on markets characterized by uncertainty and constant change. Adding the globalization factor, companies are forced to adopt different strategies in order to achieve competitive advantages and thus achieve a superior performance (Chen, Wang, Nevo, Benitez-Amado, & Kou, 2015). In this context, enterprises must act proactively, by adopting technologies that allows them to innovate on their products and introduce them in diversified markets. Thus, it will be possible to compete with their rivals and succeed (Shan, Song, & Ju, 2015). The way enterprises explore their technological resources is also an essential factor for their performance, as well as exploring new business opportunities (García-Morales, Bolívar-Ramos, & Martín-Rojas, 2013). The corporate entrepreneurship (CE) process and the technologies are interconnected (García-Morales et al., 2013). If the technologies allow the gain of competitive advantage, the CE leads to innovation, strategic renewal, gain of competitive advantage and performance (Kuratko & Audretsch, 2013). This process would be difficult to apply without resorting to technologies (García-Morales et al., 2013).

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It is not the resources and investments made in Information technologies (IT) by themselves that lead to competitive gains, but the way and intensity of the usage of IT, that is, the IT capabilities. Current literature on IT is directed at the perspective of IT capabilities, representing the ability of enterprises integrating and developing resources based in IT (Wang et al., 2013; Chen et al., 2015). In this regard, enterprise success depends fundamentally on the application and creative usage of its IT, while Janson & Wrycza (1999) revealed the existence of a highly positive relationship between IT usage and CE process.

The studies on CE have increased considerably over the last few years but there is still much to be revealed about this issue because it is such an overreaching concept, complex and encompassing (Kuratko & Audretsch, 2013) and whose definition in the literature is ambiguous (Sharma & Chrisman, 1999).

Furthermore, previous literature relating to IT and CE reveals how little attention has been paid to relationship between these constructs, and what exists is only partial.

In this context, this research aims to understand how the CE and IT capabilities are connected and what their impact on organization performance. It is intended as a contribution to the ongoing conceptual development of this area and provides initial guidance for future empirical evidence. Thus, the authors advance a synthesized conceptual model in order to evaluate the influence of IT capabilities and CE process through innovation on the organizational performance.

The structure of this paper is as follows. First, a literature review on CE, followed by the relationship between the innovation process, CE and organizational performance. A conceptual model and respective scales for future measurement of the introduced constructs are presented. Finally, conclusions and implications are discussed.

2. CORPORATE ENTREPRENEURSHIP

2.1. The Entrepreneur and the Entrepreneur Attitude

Entrepreneurship is a process that fosters the research and development of new products and services, as well as the creation of new activities (Hong, Song, & Yoo, 2013). Regardless of the types of entrepreneurship, the common factor to all of them is innovation (Kuratko & Audretsch, 2013), requiring changes to the standard of use of their resources, as well as in the creation of new capabilities that allow a better positioning on the markets (Stopford & Baden-Fuller, 1994).

CE refers to the process through which entrepreneurial individuals, attached to an enterprise, create new businesses or somehow insert innovation and renovation inside that enterprise (Sharma & Chrisman, 1999; Corbett, Covin, O'Connor, & Tucci, 2013). To this end, Javalgi, Hall & Cavusgil (2014) consider that having an entrepreneurial behavior or attitude is fundamental to the CE process, and that, irrespective of its definition, it is based on three basic pillars, innovation, risk taking and proactivity.

Literature has several definitions for the word "entrepreneur". Schumpeter, a pioneer of the study of entrepreneurship, considers that entrepreneur is someone who creates new combinations, under the guise of new products, processes, markets and organizational models (Schumpeter 1943, quoted by Fuentelsaz, González, Maícas, & Montero, 2015). However, it is generally accepted that an entrepreneur is someone who creates new enterprises or provides renewal or innovation within already established enterprises (Alin Croitoru, 2012).

Thus, the entrepreneur plays a fundamental role in the innovation process, in that he evaluates new opportunities, aligns and explores the enterprise resources and so promotes the innovation process (Shaw, O'Loughlin, & McFadzean, 2005). Innovation is considered a response to environmental

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