

## **Minitrack Introduction – Innovation and Entrepreneurship in Early Stage Firms**

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The fundamental role of knowledge in acquiring and maintaining competitive advantage emphasizes the need for effective and strategic knowledge and innovation management (KIM) in organizations. When effective and reliable methods drive approaches to KIM, this in turn supports the integration of value-creating activities into organizational processes and increases an organization's potential to achieve innovation performance and business competitiveness.

This minitrack considers alternative approaches to innovation and other organizational activities in complex environments involving multiple participants and stakeholders, particularly in new ventures and early stage firms. These themes are open to exploring new methods and organizational structures for improving and accelerating innovation and raise important new issues about how knowledge is created and applied to derive business value, generate new ideas, and support innovation.

Entrepreneurs and those building early-stage firms face additional challenges to those who are developing innovations in mature firms: entrepreneurs are simultaneously trying to build their organizational systems and approaches while also trying to develop their new products or services. Mature organizations often have established methods and systems in use to capture and manage knowledge and innovation – which in turn supports process improvement and product and/or service innovation. Start-ups and early-stage firms may lack this capacity.

The first paper by Goncalves and Bergquist asserts that in a global digital market, startups must have the capability to efficiently manage knowledge acquisition and utilization in order to quickly adapt to new realities as these emerge. Their paper explores the ways in which startups quickly change course and adapt in order to remain in the market. In a qualitative study based on 23 interviews with nine globally active automotive startups they investigate the capacity of startups for fast adaptability and how it impacts their digital innovation capability across four stages of

innovation. The results show that startups with an organizational agility capability efficiently handle the transition between all four stages of innovative thinking. Their research indicates that in startups, simultaneously dealing with a problem from several different perspectives accelerates the apprehension of knowledge through concrete experience and abstract thinking, and that experimenting with new solutions develops new insights and knowledge.

The second paper, by Podmetina et al. highlights that a shift towards a sustainability-driven society entails changes to the educational system, business operations, innovation and entrepreneurial ecosystems as well as policymaking. Such a shift requires a combination of top-down policy-making initiatives and bottom-up social entrepreneur-driven changes. Social innovation and entrepreneurship are providing solutions for globally recognized social and sustainability challenges such as poverty, education, environmental and climate change, and their paper showcases the best practices of social and sustainability-oriented innovation and entrepreneurship in the context of developing economies through a qualitative case study of a social enterprise in Africa. In particular, their paper addresses the question of how social entrepreneurs and innovators with bottom-up ideas could complement the top-down policymaking initiatives. Their findings contribute to the literature on social innovation and entrepreneurship in the context of developing economies and simultaneously informs social entrepreneurs and policymakers on potential opportunities for synergy in their efforts.

The third paper, by Koo and Eesley investigates the ways in which return migration affects the patterns and performance of rural online entrepreneurship in China. The vast majority of those living in poverty reside in rural areas. Prior research indicates that the Internet can develop and grow the rural economy by connecting rural entrepreneurs to the wider market. Their study indicates that return migration is a crucial factor for the successful development of e-commerce

in rural areas. Using data from a leading e-commerce platform, they conduct a natural experiment involving a provincial-level policy change that reduced the barriers for talented rural migrants to return and work in their home villages. Their findings indicate that after the policy change, rural e-commerce businesses in the province that implemented the policy change enjoyed a 22 percent performance gain relative to other rural businesses. This study suggests that policymakers and digital platforms need to create a confluence of talent and technology to spur successful entrepreneurship in rural areas.

Finally, the last paper by Hakami et al. explores partnerships between universities and private sector entrepreneurs. Over the last two decades, partnerships between universities and private sector players have been explored through the lens of several theories, including social capital theory. There is still a need for understanding how social capital theory has been investigated in the direct partnership between universities and the private sector. This paper outlines the results of a systematic review of literature on social capital theory and the university-private partnership and presents a fundamental theoretical framework to guide current activities and also proposes future research directions.