

# CULTURES AS DETERMINANTS OF INNOVATION - AN EVIDENCE FROM EUROPEAN CONTEXT

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## Abstract

Cultural studies have played a major role for a better understanding of innovation. In particular, cultural variables have always been integrated in innovation studies at different levels. Referring to Hofstede's analytical framework, we thereby analyze how different cultural factors may concretely impact innovation at national levels. Data of Hofstede's cultural dimension and innovation are derived from secondary data sources. 34 European countries with comprehensive scores of cultural dimensions and innovation indexes are finally applied in this study. The data are analysed through correlation test and multiple regression analysis. The correlation test highlighted the importance of low power distance, individualism and low uncertainty avoidance, and the multiple regression analysis revealed the importance of power distance and long-term orientation that foster innovation in Europe. Finally, limitations of the proposed theoretical architecture are discussed and potential consequences for further research are formulated.

Keywords: Culture, Innovation, Hofstede's theory

## 1. Introduction

Innovation is a crucial factor in contemporary societies (Abernathy and Clark 1985, Hennessey and Amabile 2010, Glaveanu 2011). In general, innovation implies the improvement of existing products or

services, or an introduction of something novel to industries and markets (Hochgerner 2009). The significance of innovation has been manifested through different angles. Innovation is a key factor for business success. According to McKinsey (2010), 84 percent of entrepreneurs indicated the importance of

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