

ENTREPRENEURIAL INTENSITY, NATIONAL CULTURE, AND THE SUCCESS OF NEW PRODUCT DEVELOPMENTS: THE MEDIATING ROLE OF INFORMATION TECHNOLOGY

Amonrat Thoumrungroje

Department of International Business Management, ABAC School of Management,
Assumption University

ABSTRACT

This paper synthesizes the literature on multiple disciplines, including marketing, entrepreneurship, information technology (IT), and international business. The investigation on the relationships among entrepreneurial intensity, IT, national culture, new product success, and performance is presented. It postulates the mediating role of IT in the relationship between entrepreneurial intensity and new product success, and it explores their indirect relationships with business performance. In addition, the conceptual framework encompasses the effects of cultural differences on the hypothesized relationship between entrepreneurial intensity and IT.

Since new product development¹ is at the heart of every business survival, extant research reveals the necessity to scrutinize the antecedents to and outcomes of new product development (NPD). Review of two articles assessing the research on new product development and management (i.e., Brown and Eisenhardt 1995, and Henard and Szymanski 2001) shows that this field focuses on both internal and external contexts of new product development as antecedents to new product success, which also can be viewed as intrinsic and extrinsic to an organization. While most research explores the effects of both organizational/internal factors and external forces on new product success with a greater emphasis on the internal factors than the external issues (e.g., Gatignon and Xuereb 1997, Moorman and Slotegraaf 1999, and Sethi, Smith, and Park 2001), some focuses on only organizational factors as antecedents to new product success (e.g., Ayers, Dahlstrom and Skinner 1997, Griffin 1997, and Leonard-Barton 1992). In the same token, the present paper aims at exploring the relationships between two of the organizational factors (i.e., the entrepreneurial intensity and the role of information technology) and the success of new product development.

Previous literature shows that organizational factors affecting NPD success include organizational structure and control system (Ayers, Dahlstrom, and

Skinner 1997, Brown and Eisenhardt 1995, Griffin 1997, Henard and Szymanski 2001, Wind and Mahajan 1997); strategic orientation (Gatignon and Xuereb 1997, Henard and Szymanski 2001, Moorman and Slotegraaf 1999, Wind and Mahajan 1997); and capabilities (Moorman and Slotegraaf 1999, Leonard-Barton 1992). Formalization (Ayers, Dahlstrom, and Skinner 1997, Griffin 1997), functional diversity or cross-functional team (Brown and Eisenhardt 1995, Griffin 1997, Sethi, Smith, and Park 2001), and inter-functional coordination and relations (Ayers, Dahlstrom, and Skinner 1997; Sethi, Smith, and Park 2001) are those elements of organizational structure and control system that have been extensively studied as antecedents to NPD success. Since the process of new product development usually involves teamwork, coordination and harmonization are also essential.

Furthermore, the firms' capabilities must be contingent upon the external market condition (e.g., external information) in order for new products to achieve higher success (Moorman and Slotegraaf 1999). As such, it is hypothesized that the use of IT² will provide an efficient flow of information in both intra-departmental

¹Hereafter, new product development is referred to as NPD.

²Hereafter, information technology is referred to as IT.