

INNOVATION IN “SMALLER” CONTEXTS

1 INTRODUCTION

The increase in the world’s inequality levels has called into question how much and if innovation can help solving current global challenges (Lundvall, 2017; Stiglitz, 2016). Part of this discussion comes from the fact that innovation has historically been focused on dominant contexts (Van der Have & Rubalcaba, 2016). Moreover, the COVID-19 pandemic has also brought additional urgency to the role of innovation and the importance of looking at smaller contexts (Korsgaard, Hunt, Townsend, & Ingstrup, 2020; Monsen, Arndt, Conger, Brown, Mueller, Dickes, Barber, Bedo, Vedula, Roundy, Theodoraki, Jolley, & Lyons, 2021), as it made societal problems, local weaknesses, and political ambiguities more visible (Barbier & Burgess, 2020; Korsgaard, Hunt, Townsend, & Ingstrup, 2020).

Thus, this essay proposes to address smaller contexts, namely the groups of businesses that – albeit larger in number – are still “smaller” when it comes to the literature’s focus and attention. Thus, we believe that such discussion may help in the construction of insights that may allow researchers and practitioners alike to make sense of smaller contexts that have so far been little explored, and by doing so we hope to provide ways of thinking about social reality in a sustainable way through innovation.

2 DOES THE DOMINANT DISCOURSE ON INNOVATION BENEFIT EVERYONE?

In recent years, there has been a growing call for research that produces impactful outcomes and addresses humanity’s most pressing issues, prompting a reevaluation of research in the field of Administration. Eisenhardt et al. (2016), in their article “Grand Challenges and Inductive Methods: Rigor without Rigor Mortis”, criticize what they term “rigor mortis”, where excessive methodological rigor excludes smaller and marginalized contexts. As such, they argue that the field of Administration has drifted away from addressing society’s problems, and call for future research to be meaningful and tackle on societal problems.

It is worth of note that the Annual Meeting of the Academy of Management, the foremost global event in Administration, chose “Broadening our Sight” as its 2020 theme. Similarly, EnANPAD, Brazil’s leading Administration conference, adopted the theme “Inequality & Diversity: Thinking about Inclusive Organizations and Societies” in 2021. Additionally, the International Journal of Entrepreneurial Behavior & Research issued a call for papers on “Linking Entrepreneurship and Society: Solving Current and Future Social Challenges”. Beyond discussions in Administration, debates have also emerged specifically in the field of innovation. Even though innovation has driven transformative changes that have shaped the course of civilization (Schumpeter, 2017; Urbano et al., 2019), rising global inequality levels have raised concerns about whether innovation can adequately address current challenges (Lundvall, 2017; Stiglitz, 2016). A significant part of this debate stems from the historical focus of innovation on dominant contexts (Van der Have & Rubalcaba, 2016).

The COVID-19 pandemic has further underscored the urgency of innovation and the need to consider smaller contexts (Korsgaard et al., 2020), as it has exposed social ills, local fragilities, and political ambiguities (Barbier & Burgess, 2020; Korsgaard et al., 2020). Consequently, this research focuses on smaller contexts, such as low-income entrepreneurs, small businesses, and small towns, and their relationship with innovation.

3 SMALLER CONTEXTS

Although the influence of individuals on the process of social change in innovation studies is underexplored, it holds the potential to enhance our understanding on how to improve social realities in a sustainable way, particularly in contexts involving low-income entrepreneurs (Foroudi et al., 2020). Another important context for social change processes is that of small businesses (Dugguh, 2017; Hoque et al., 2015). These businesses are deeply rooted in their localities, playing a crucial role in generating income, promoting economic diversification, and enhancing social well-being. They also represent the predominant type of enterprise in most areas (Autio et al., 2014; Bajmócy & Gébert, 2014; Korsgaard et al., 2020).

Focusing on a more specific perspective, main street small businesses—such as retail stores, consumer services, and other non-tech businesses located on the main streets of small towns—are key drivers of local dynamism (Stevenson et al., 2019). Even though small towns comprise the majority worldwide and form the backbone of the economy, the literature has only recently begun to focus on the dynamics of these smaller cities (Sant et al., 2020; Van Heur, 2012). Understanding these dynamics is crucial because the entrepreneurial and innovation activities in these towns differ significantly from those in larger cities and metropolises (Liu et al., 2021). As a result, the innovation ecosystems in these towns are not well understood (Sant et al., 2020) and are sometimes even considered nonexistent. Therefore, gaining insight into the innovation ecosystems of small towns may contribute to the development of these localities.

Table 1. Foundational Literature

Foundational Literature 1	Foundational Literature 2
Inequality and global challenges	Smaller contexts
Critical References	Critical References
<ul style="list-style-type: none"> • Lundvall, 2017 • Stiglitz, 2015 	<ul style="list-style-type: none"> • Monsen et al., 2021 • Roundy, 2019
Key Insights	Key Insights
<ul style="list-style-type: none"> • Inequality on the rise as a result of faulty policies • Duality and exhaustion of current technological paradigm 	<ul style="list-style-type: none"> • Businesses from the “main street” remain largely overlooked in the literature • Small town businesses operate within an ecosystem
Foundational Literature 3	Foundational Literature 4
Small businesses in times of crises	Low-income entrepreneurs
Critical References	Critical References
<ul style="list-style-type: none"> • Barbier & Burgess, 2020 • Gianiodis, Zhao, Foo, & Audretsch, 2022 	<ul style="list-style-type: none"> • Jennings, Jennings, & Sharifian, 2016 • Rindova, Barry, & Ketchen, 2009
Key Insights	Key Insights
<ul style="list-style-type: none"> • The COVID-19 pandemic has caused a major crisis worldwide • Resilience as an attribute to overcome challenges in small businesses’ contexts 	<ul style="list-style-type: none"> • Low-income entrepreneurs can be innovative • Poverty reduction as a consequence of entrepreneurship as emancipation

Source: Prepared by the authors.

4 ADVANCING TOWARDS AN INTEGRATIVE VISION OF INNOVATION

From prior research we know that...

- The literature on innovation & entrepreneurship has historically focused on dominant contexts;
- The socioeconomic and technological advancement is uneven across different countries and regions;
- There is an ever-growing call for management studies to pay attention to grand challenges.

Yet a complication comes about because...

- Our knowledge on innovation ecosystems in small towns is limited;
- Our knowledge on how small businesses innovate in times of crises is limited;
- Our knowledge on innovative low-income entrepreneurs is limited.

This complication is of concern because...

- The World's inequality levels are on the rise;
- The COVID-19 pandemic has made the situation even worse.

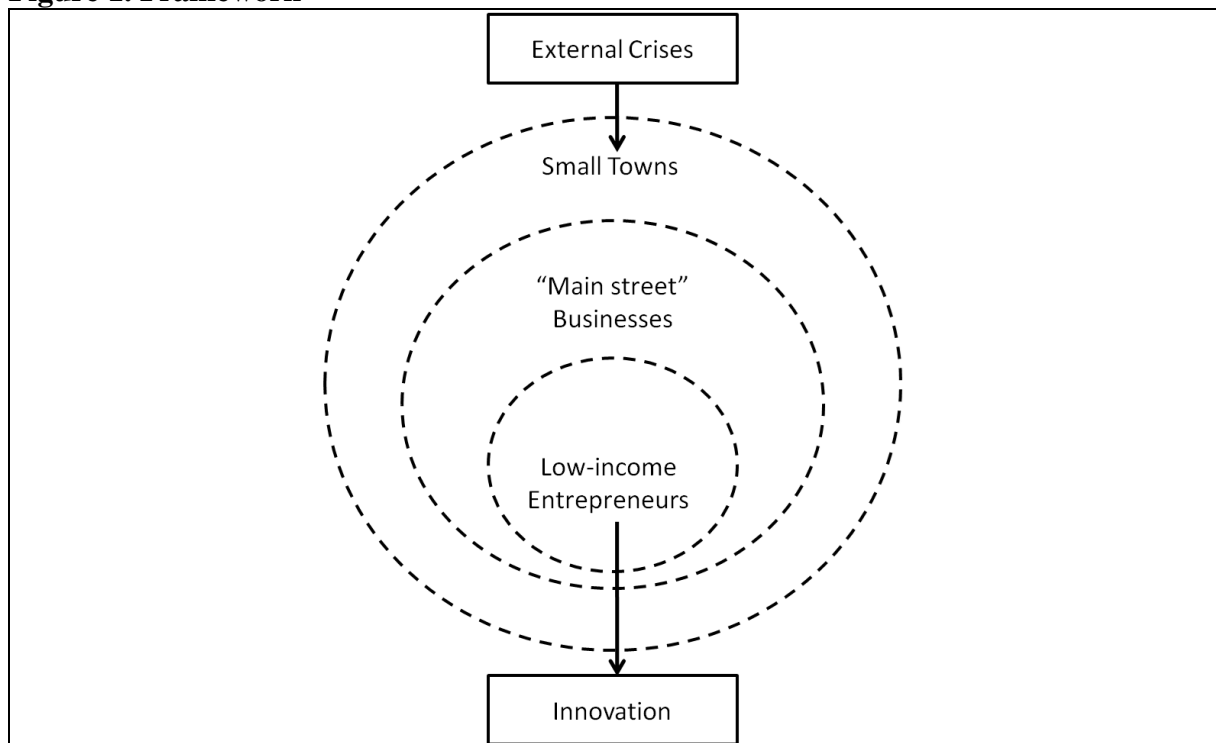
The course of action to address this concern implications...

- Critically discussing the dominant discourse in the field of innovation;
- Categorizing individuals and businesses within a small town – or “main street ” – innovation ecosystem.

This paper contributes to the literature by...

- Addressing a topic that has been largely overlooked in the innovation studies;
- Moving towards a more integrative and inclusive vision of innovation.

Figure 1. Framework



Source: Prepared by the authors.

5 CONCLUSION

This essay proposed to address smaller contexts, that is, groups of companies that — although larger in number — are still “smaller” when it comes to the focus and attention of the literature. We formulated a categorization of the literature and proposed a framework that reflects innovation in smaller contexts. Thus, we believe that such a discussion can help build insights that allow researchers and practitioners to understand smaller contexts that have so far been little explored and, in doing so, we hope to provide ways of thinking about social reality in a sustainable way through innovation.

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