

EXPLICATING PERFORMANCE OF YOUNG HIGH-
TECHNOLOGY FIRMS USING ORIENTATION-
CONFIGURATION APPROACH



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ABSTRACT

Firms operating in high-technology sectors (HTS) are key source of innovation, national competitiveness, and economic growth. HTS firms especially, young ones exhibit large variations in performance as they face dynamic, fuzzy, and complex industry structure wherein the boundaries and scope are not clearly demarcated. A comparison of performance (measured in terms of high-tech exports as percentage of manufacturing exports) of HTS (at macro level) and young firms (at micro level) from selected nations shows that India has a long path to tread to be able to catch up with these nations and ensure its competitiveness in knowledge dominated economy of the future.

What combination of firm and environment attributes (configurations) collectively determine the success of firms at this crucial stage- young stage- of their life cycle - is the key question driving this research. Configuration and strategic orientation approaches are used to answer this question. Review of configuration literature to select theoretical specification for identifying configuration indicated prevalence of leadership, strategy, structure, and environment domains. Recent conversations within configuration literature ask for improving this specification. To arrive at a theoretical specification most suitable for identifying young firms' configurations, inputs were drawn from strategic orientation (SO) literature.

Review of SO literature, also presented an opportunity to refine the extant SO typologies based on dichotomous combinations of entrepreneurial and market orientations, and make the linkages of SO and configuration literature more explicit. To achieve this, in the first essay, fourteen strategic attributes are identified and used

to explicate the differences among five proposed SO types- prospector, analyzer, proactive defender, reactive defender, and reactor. Configurational profile for each of these five SO types is also proposed. For the second essay, claims regarding inadequacies of extant theoretical specification within configuration approach are deliberated, and along with hypotheses- inclusion of entrepreneurial orientation (EO) improves the theoretical specification for identifying young firms' configurations, and EO is the core orchestrating theme- are tested using crisp-set comparative analysis. For the third essay, this refined theoretical specification is used to explore and compare the configurations of young firms from India and UK. For this fuzzy-set qualitative comparative analysis is used. Despite being the configurations of firms of same age group and industrial sectors, some striking differentiating features are observed in configurations of young Indian and UK firms. These features are also elaborated and compared in the third essay.

Keywords: Young high technology firms, configuration approach, organizational forms, strategic orientation, entrepreneurial orientation, market orientation

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