EXAMINING THE SUCCESS FACTORS OF HIGHLY INNOVATIVE COUNTRIES

Tansu Barker, Brock University, St. Catharines, CANADA

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ABSTRACT

Innovation is a crucial capability in creating and sustaining competitive advantage. Therefore, the purpose of this manuscript is to examine the factors that contribute to the level of innovativeness of the highly ranked countries based on GII. The findings in this study would most likely be of value to policy makers. Twelve selected input factors are used to examine the nature of innovation in twenty countries with very high global innovation index (GII) scores. Regression results show that only school life expectancy, information and communication technology access, university and business collaboration and high tech imports are needed to explain the GII with an R2adj = .84, for the developed countries in this sample. However, there are differences between the higher and lower innovation groups even in this sample in terms of rule of law and political stability beyond the four factors that explain their high level of achievement in innovativeness. Hence, policy makers in developing countries should be cautious in using these findings as a benchmark before considering factors such as infrastructure and political stability as prerequisites to innovation and economic development in their particular case.

Keywords: *Global Innovation Index, developed countries, multiple regression.*