

Economic Crisis, Innovation Strategies and Firm Performance. Evidence from Italian Firm-level Data

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Abstract

Focusing the attention on the microeconomic level, the present work provides an empirical analysis on the basis of more than 500 Italian manufacturing firms located in Emilia-Romagna region, with the aim of disentangling the relations between pre-crisis innovation strategies and: on the one hand, firm economic performance during the crisis; on the other hand, innovative actions implemented to react to the recession's challenges.

The results suggest the existence of strong relationships between past innovative activities and the capacity to react to the challenges brought by the crisis through innovative actions along product, process and organization/HRM dimensions, although the role of complementarities among past innovative activities does not emerge robustly. When the dependent variables are performance indicators the impact of pre-crisis innovation strategies emerges as robust for technological and organizational spheres, while intense innovative activities before the crisis on innovation spheres like ICT, training and environment seems to be detrimental for performances in the crisis.

Keywords: innovation strategies, economic crisis, firm performance.

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