Driving Sustainability Through Innovation: Examining Sectoral Dynamics and Firm Performance

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ABSTRACT

Purpose – This study seeks to determine the effect of firm-specific characteristics, financial metrics, marketing activities, and industry parameters on the results of corporate innovations, especially as they affect innovation performance in different industries.

Design/methodology/approach – The study employs quantitative analysis using data from 135 firms in 6 sectors: automotive, consumer goods, energy and utilities, information technology, pharmaceuticals, and textiles. A combination of financial and non-financial measures of innovation are considered in this study.

Findings – This report shows how innovation adoption changes within sectors. The Pharmaceuticals, as well as the Information Technology sectors, scores the highest in R&D spending and innovation, indicating strong performance. On the other hand, sectors with lower innovation activities like with Textiles & Apparel and Energy & Utilities, are likely to achieve less value.

Research limitations/implications – The research makes use of secondary data analysis from 2019-2024, so it may have some missing information or biases. The study is confined to firms operating in certain sectors and may not be universally applicable.

Social implications – This research highlights the role of innovation in economic development and the global fight against issues such as clean energy and climate change thereby contributing to sustainability and social objectives.

Originality/value – This analysis provides a distinct interdisciplinary perspective on the relationship between innovation and firm value, by emphasizing the differences between industries and making use of an extensive dataset.

Keywords: Innovation performance, financial indicators, firm-specific factors.

DOI: 10.21467/abstracts.180 ISBN: 978-81-984081-2-9 (eBook)