Abstract and Key Results

- This paper introduces innovation, competition and regulatory change as dominant themes in international business.
- These themes represent focussed trajectories for future research despite diversity in their causes, processes and consequences and the interactions between them which reflect the increasingly complex environment in which managers operate.
- This diversity and the significant interactions between the three areas pose a challenge to scholars, with current research both shedding light on particular aspects and on the interactions between the elements in applied settings as demonstrated by the contributions to this focused issue.

Key Words

Innovation, Competition, Change, Regulation

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Introduction

The School of Management at the University of Bath, UK hosted the 32\textsuperscript{nd} annual conference of the Academy of International Business (AIB) UK chapter in April 2005. This annual event aims to promote research and scholarship in all areas of international business by acting as the major annual UK forum for the presentation of as yet unpublished work and the exchange of ideas in this field. It brings together scholars and professionals dealing with issues relating to international business, with an emphasis on encouraging the participation of younger researchers and doctoral students, as well established academics. There were over 170 participants at the Bath conference, a record number, drawn from organisations in 22 countries and altogether 79 papers were presented after a rigorous selection process.

The broad themes of the conference this year were \textit{Innovation, Competition and Change} (with particular reference to regulatory change) in International Business. Within these interrelated themes, the nature of the submissions was diverse in many ways: in terms of the topics discussed, the theoretical perspectives, methodological approaches, levels of analysis and the industrial and national research settings adopted. Such diversity results from both the variety and complexity of the challenges posed by innovation, competition and regulatory change in today’s global economy as well as the breadth and richness of the academic field of international business (IB). This diversity and richness is cause for celebration and is reflected in the set of papers selected for inclusion in this focused issue of MIR.

Some of the selection of papers presented here, while focusing on a specialist area, address the interrelationships between at least two of the core concerns of innovation, competition and change whereas others predominately relate to one of these aspects. They have been organized within the issue according to the dominant theme of each paper. The final paper provides an assessment, drawing on two cases, which highlights the linkages between innovation, competition and regulatory change.

Innovation

In recent years, the basis of competitive advantage has shifted from tangible assets and resources to less tangible ones such as skills and knowledge. Firms now operate in a ‘knowledge economy’ where the sustainable, renewable and non-diminishing returns characteristics of knowledge have led to a significant change in the structures and strategies of international businesses. The multiplicity of knowledge sources and knowledge uses have encouraged firms to move from being highly centralised...