

ABSTRACT

Some might argue that those who own greater innovation capability will secure its place in the future. One of its greatest determinants would be dependent upon the firm's overall team dynamics, especially towards the top management team (TMT) diversity. This particular study highlights the effect of TMT's formal educational qualification, which consists of their educational level (whether they were graduated with bachelor, master or PhD degree) and educational background (whether they were graduated from financial & legal, marketing & sales, or science & engineering backgrounds) towards the firm's commitment to innovation (R&D Intensity) and apply the CEO's regulatory focus as the moderator variable of the research. The sample of the study includes 382 firms analyzed through a secondary data collection procedure. The result indicates that there is a positive relationship between TMT's formal educational qualification towards the firm's innovation. However, the moderator role of the CEO's regulatory focus does not play a role in contributing to the relationship. Other than that, all of the firms listed in the study are operating in chemical, pharmaceutical and materials industries that are located in the European continent. Overall, the effect remains constant after controlling the impact of the size of the firm and the average age of the CEO.

Keywords: Innovation, formal education, regulatory focus.

Beberapa mungkin berpendapat bahwa mereka yang memiliki kemampuan inovasi yang lebih besar akan mengamankan tempatnya di masa depan. Salah satu penentu terbesarnya akan tergantung pada dinamika tim keseluruhan perusahaan, terutama terhadap keragaman tim manajemen puncak (*Top Management Team - TMT*). Studi khusus ini menyoroti pengaruh kualifikasi pendidikan formal TMT, yang terdiri dari tingkat pendidikan mereka (apakah mereka lulus sarjana, magister atau PhD) dan latar belakang pendidikan (apakah mereka lulus dari bidang keuangan & hukum, pemasaran & penjualan, atau sains & latar belakang teknik) terhadap komitmen perusahaan terhadap inovasi (*R&D Intensity*) dan menerapkan fokus regulasi CEO sebagai variabel moderator penelitian. Sampel penelitian mencakup 382 perusahaan yang dianalisis melalui prosedur pengumpulan data sekunder. Hasilnya menunjukkan bahwa ada hubungan positif antara kualifikasi pendidikan formal TMT terhadap inovasi perusahaan. Namun, peran moderator dari fokus regulasi CEO tidak berperan dalam berkontribusi pada hubungan tersebut. Selain itu, semua perusahaan yang terdaftar dalam penelitian ini beroperasi di industri kimia, farmasi, dan material yang berlokasi di benua Eropa. Secara keseluruhan, efek dari penelitian ini tetap konstan setelah mengendalikan dampak ukuran perusahaan dan usia rata-rata CEO.

Kata Kunci: *Innovation, formal education, regulatory focus.*