

Foreword

Innovation has become a crucial challenge in today's management processes.

As a consequence, management scholars feel more and more driven to investigate how innovation capabilities can be created, encouraged and fostered in organizations.

Many of these capabilities are influenced by the way the organization conceives, designs and manages its network of business relationships. Therefore, many factors that may be decisive to innovation, although external to the organization's boundaries, are actually impacted by the organization's choices (or inertia). For example, constructive cooperation with software suppliers is often one of the most important success factors for information systems innovation.

Management literature has been working intensely on this fascinating issue in the last years, and has developed some key constructs that have become classical explanatory variables for business network success, such as, for example, Trust or Information Sharing.

But further research is needed in this field. In fact, there are many real-world situations in which it is the business network itself that seems to hinder successful and sustainable innovations, even if the traditional business network variables are ranking high.

As a matter of fact, most extant theories (e.g. the Resource Based View of business networks, discussed in influential works like those by Combs and Ketchen in the 1990s) are more interested in the "bright side" of business networking; thus, they see inter-organizational networks as substantially positive phenomena, provided they are managed with the right tools. But there are also theories (e.g. the theory of the Population Ecology of Organizations, developed by Hannan and Freeman since the 1970s) that are more interested, instead, in the "dark side" of long-term business relationships. If we compare theories of the former and of the latter type, we must admit that they tend to see business networks through very different constructs and explanatory patterns. Not surprisingly, these different theories make different predictions as for the impacts of networking activities on innovation-related performances.

When and why does a real-world business network fall into a certain theory and not into another? Under what conditions does the theory of the Population Ecology of Organizations, for example, become an appropriate model for understanding the specific business network we are looking at? What is the link, if there is any, between the many different theories proposing so different explanations and predictions on the same important phenomenon?

Management studies, in other words, are today challenged to build a unified theory of business networking, capable to explain both the cases in which business networks trigger dynamism and effective change, and the cases in which they promote opacity, conservatism, competitive blindness, or persistent commitment to ruinous innovation strategies.

This is the gap in theory this book concentrates on.

The contribution of this work consists in a novel theoretical approach to innovation processes in business networks. This approach seeks to leverage the potentialities of extant the-

ories and to exploit the complementarities of different scholarly traditions, including management studies, evolutionary studies, game theories, and system theories.

Three original theoretical reflections are developed throughout the book: a theory of innovation, a theory of altruistic cooperation and fairness, and a theory of motivations for business networking. These three theories are linked together in the last Chapter, where a modular theory of innovation in business networking is presented.

Chapter 4 points out the contradictory outcomes of field research on creativity and innovation in organizational settings. Then, a quite original and challenging explanation of the dynamics of innovation is presented, that is consistent with the seemingly paradoxical results collected by the scholarly community so far.

The theory of cooperation and fairness presented in Chapter 3, on the other side, is strongly rooted in game theories and system theories, and sees inter-organizational altruism as a dynamic system of behaviors whose success is a key factor for business network strength.

Finally, the theory of motivations for business networking presented in Chapter 5 provides a possible explanation of the very different attitudes towards innovation that can be observed in different business networks.

In this book, innovation-related performances are measured not only in terms of competitive excellence, but also in terms of social excellence. In fact, this work aims to explain the ethical impacts of business networking, too: they may range from very positive to extremely negative, as happens, for example, in opaque lobbying.

Thanks to expert panel discussions, the theoretical concepts developed in this book are translated into twelve constructs, and the related measurement scales are developed. All the theory-building efforts of this work are eventually translated into testable models; as a consequence, they are easily usable for further research.

For this reason, not only does this book provide the reader with a detailed possible unified theory of innovation in networked business settings, but it also encourages and facilitates further scholarly work on issues that are perceived as highly relevant by the world of practice.

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