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Book review: Strategic Management of Innovation Networks. By Muge Ozman. Cambridge University Press: Cambridge, 2017, ISBN 978-1107071346, paperback, £30, pp. 360

PLEASE CITE THE PUBLISHED VERSION

<https://doi.org/10.1111/radm.12317>

PUBLISHER

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VERSION

AM (Accepted Manuscript)

PUBLISHER STATEMENT

This is the peer reviewed version of the following article: DOLFSMA, W., 2018. Book review: Strategic Management of Innovation Networks. By Muge Ozman. Cambridge University Press: Cambridge, 2017, ISBN 978-1107071346, paperback, £30, pp. 360. R&D Management, 48(5), pp. 641-642, which has been published in final form at <https://doi.org/10.1111/radm.12317>. This article may be used for non-commercial purposes in accordance with Wiley Terms and Conditions for Use of Self-Archived Versions.

LICENCE

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REPOSITORY RECORD

Dolfsma, Wilfred. 2018. "Book Review: Strategic Management of Innovation Networks. By Muge Ozman. Cambridge University Press: Cambridge, 2017, ISBN 978-1107071346, Paperback, £30, Pp. 360". figshare. <https://hdl.handle.net/2134/28078>.

Book review

Strategic Management of Innovation Networks. By Muge Ozman. Cambridge University Press, Cambridge, 2017, ISBN 978-1107071346, paperback, £30, pp. 360.

This book provides useful knowledge and insights for scholars from both economics and business, from MSc through to MBA, PhD and beyond, and for policy makers too. It offers detailed examples in text boxes, textbook style, and associates its main point to a large number of related scholarly discussions. The book needs a better introduction and structure than it now has for readers to appreciate this fully.

The book's main point is that the information exchanged between individuals and companies that explain when and how innovations emerge is most usefully understood when looking at the exchange as a network of relations. Each chapter begins with learning objectives and ends with key discussion questions, giving it the feel of a textbook. Each chapter goes to length relating the core theme - innovation networks being important to explain product, individual, firm, industry, region and country performance – to a range of related themes. Without at least some background in social network analysis, but also in other areas such as most notably evolutionary theory, it may be quite difficult to follow Ozman's lead. The book, for instance, has two main sections of chapters, in line with evolutionary theory: search and selection. Chapters included in each section will touch upon dimensions of each theme. Why a third evolutionary theme – retention – is not included is not clear. Yet, social networks can also usefully be conceived of as outsourced individual memory as Transactive Memory Theory suggests.

Connecting the theme of innovation on the one hand, with the theme of how a firm or an industry is organized is increasingly explored in recent years. Several journals play a leading role in this effort, including R&D Management and Strategic Organisation. It is high time for textbooks in this area. Aalbers and Dolfsma (2015) focus singularly on the intra-organizational level. An understanding of innovation processes taking a networks approach has the potential of connecting levels of analysis. This is clearly yet too implicitly Ozman's goal. This goal does require being clear about what type of network is being discussed or studied at all times. And it starts with a clear definition of what networks are. Ozman (p.7), unhelpfully, I must say, defines social networks as “made up of ties [relations] that signify affection (or the lack of it) between human being”. Why should (lack of) affections be involved, and why only between human beings? In her book, Ozman does discuss relations between non-humans including firms and relations not requiring any semblance of affect. Ozman does discuss a number of different networks between individuals that do not include any semblance of affect, including the only one she mentioned in an Appendix that includes example survey questions.

Many a chapter ends with what appears to be a favourite theme for Ozman: network horizon. Van Liere, Koppius & Vervest (2008) define network horizon as the understanding that an actor has of the network(s) they are in. Van Liere et al. turn this into a strategic concept, but Ozman seemingly makes it a methodological issue, in defining network horizon, p.39, as “how far to look in a network, beyond immediately adjacent nodes”. Both are valid positions to take, but good to distinguish explicitly. What both approaches usefully make abundantly clear is the point that, from a methodological as well as from a strategic point of view it is inadequate to just focus on the egonetwork of immediate contacts. As any actor can be involved in a number of different networks each with n actors at the same time, and any one

Comment [KM1]: Please check if this word is fine? Or should it be ego-network?

network potentially has $n!$ directed relations, even a single network quickly becomes quite difficult to grasp. Ozman very appropriately and forcefully makes the point that it is the structure of each full network that helps shape an actor's ~~behaviors~~behaviours and performance.

Summing up, Ozman's book, aimed at a broad audience is a very useful contribution to the understanding and development of a rapidly emerging field. The strengths of her book are the weaknesses as well: the linkages to the many related themes and discussions Ozman finds. The book could use a clearer structure even when that would have reduced the number of excursions. Readers now need quite a bit of background in each of the literatures discussed to follow Ozman. All those of us, with some relevant background but lacking the overview, who do follow Ozman in her journey in this field will find she is an excellent guide.

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