

WHAT IS THE PREFERRED METHOD OF COMMUNICATION IN AN INNOVATION-DRIVEN HORIZONTAL NETWORK?

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Horizontal networks may play a crucial role in promoting innovation and assisting in the diffusion of innovations across and within sectors [1]. For example, when insights, technologies and capabilities are shared with partners early in the innovation process, costs, risks and the benefits of bringing ideas to the market are also shared [2][3]. To date, however, relatively little is known about the horizontal form of inter-organizational relationships (also known as horizontal networks) which involves sharing of capabilities with competitors to jointly develop new products and innovations.

A network may consist of different organizations that are situated in different geographical locations yet may need to come together as a team to work on a new product or service. In this study, we identified different communication mechanisms that are used within such horizontal networks including emails, faxes, face-to-face, teleconferencing, video conferencing etc. We investigate the effectiveness of the communication mechanisms between member organizations in thirteen different horizontal networks that were involved in the development of different new products. We measured the effectiveness of the communication mechanisms based on their perceived effectiveness by network members and the effect on strength of ties between network members. Not surprisingly, we find that face-to-face mode of communication is significantly related to strength of ties between network members. However, we find other interesting results that have significant implications for the management of horizontal networks that are engaged in innovations.

References

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