The Impact of Relational Embedded Configuration and Network Competence on Service Innovation Performance

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ABSTRACT

This study conducts three types of relational embedded configuration based on the relational embedded ties between the focal firm and its partners—customer, supplier, competitor and research institution. The effects of configurations on service innovation are contingent on service innovation types. From internal perspective, the network competence of a firm can enhance the performance of service innovation. The study also deals with the effect of the interaction between network competence and relational embedded configurations on service innovation performance. We verify the proposed model based on 201 effective firm samples. There are three types of relational embedded configuration this study classified include champion of customer relationship, practicer of transaction-driven and advocate of business relationship. The champion of customer relationship is the best configuration, which has the best performance of service innovation. The best configurations in each service innovation types are different. The study also verified the positive relationship between network competence and service innovation performance. Furthermore, the network management task can significant impacts the long-term performance and the network management qualification can significant impacts the short-term performance. Finally, the interaction between network competence and relational embedded configuration can impacts the short-term performance of service innovation. Based on the results, this study proposes the theoretical and managerial implications and the suggestions of future research.

Keywords: relational embedded configuration; network competence; service innovation

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