

Chapter 2

BUSINESS CLUSTERS: A REVIEW AND A RESEARCH AGENDA FOR MANAGEMENT STUDIES

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INTRODUCTION

The complexity of modern production has brought the study of linkages between geography and organization forward. The concept of the business cluster has a great variety of time and space interplays that draw on the historical background, a rich portfolio of cases, and a diverse body of theoretical perspectives. Although economic agglomerations can be traced back to the early twentieth century (Rosenthal & Strange, 2006), multi-faceted pressures of change towards competitiveness in 1990s (Porter, 1990) phenomenized clusters as a development concept, and a focus of debate (Ketels, 2013). The purpose of this study is to provide insights into the understanding of cluster phenomenon, through the evaluation of conceptual debates, historical background, and publication trends within a management perspective. The study is organized as follows. First, this paper reviews the conceptual debate in the literature. While reviewing the diversity of studies within the historical process, this paper presents some publication statistics and builds connections with established bibliometric analyses, which allow to put forth the main orientations of the cluster research, to provide a map for assessing contemporary management studies. Although the number of studies from management perspectives is relatively scarce (Öz, 2005), the concepts borrowed from management perspectives are frequently found in the literature. Furthermore, as recent bibliometric studies have also revealed, the amount of research published in management journals is rapidly rising. In the last section, this paper provides a descriptive inquiry of contemporary management studies published in the last five year period. Based on the literature review, the author identifies three subjects which are classically known as managerial concepts: namely (a) absorptive capacity, (b) capability, resource and competency, and (c) social capital

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publication in the 1990s, the current outlook of business cluster literature seems to be subdivided into interconnected research streams. In the presence of the recent surge of interest both in the academic community and among policymakers, this paper summarizes the patterns of publications, which allow for the identification of conceptual diversity and main research streams. From management perspectives, although the number of studies in this area is relatively low, the concepts borrowed from management are frequently encountered. In this respect, this paper employed a second review; relevant research was subsequently grouped into three management streams of research: (a) absorptive capacity, (b) resource, capability and competition strategy, and (c) networks and social capital perspectives; each with specific focus theoretical perspective, study focus, and outcomes/conclusions. According to the first perspective, firms in clusters absorb external information and disseminate this information through cluster information flows. While absorptive capacity is mostly positively related to innovation and performance, recent studies also brought spatial themes into focus. The second perspective implies that clusters contain most competitive industries, spans unique abilities and contributes to resources. Organizational structures and macro development contexts are also included in these studies. Finally, the relationships between cluster firms and the social behavior of these firms within networks were examined.

Future research should provide more empirical results from diverse institutional and organizational settings of clusters. Despite the increasing interest and conceptual depth in research topics, some questions remain unanswered. For example, different practices in the inter-organizational field are lacking. It seems that the research on clusters has started to focus on emerging markets; in particular, China. Further research on other developing and transition markets is recommended. This study has its limitations. The purpose of this study is to review articles and provide management insight into the cluster phenomenon through the scope of recent cluster research. This paper deployed the web of Science database for its purpose. The filtering processes may have omitted relevant research. Finally, while this framework brings management-related issues to the forefront, it may remain insufficient to grasp such a complex concept with various aspects.

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APPENDIX: An overview of contemporary management literature on clusters

Study	Perspective	Study focus	Outcomes/Conclusions
<i>Absorptive Capacity</i>			
Exposito-Langa et al., 2015	Absorptive capacity, network position	The effects of absorptive capacity and network position on innovation performance	Networking and firm resources affect performance independently, while absorptive capacity and relational resources are positively active thanks to shared vision.
Belso-Martinez et al., 2016	Absorptive capacity, network dynamics	The effects of absorptive capacity and previous innovative performance on network dynamics	Absorptive capacity and previous innovative performance are predictors of inter-business relationships. Absorptive capacity affects the emergence of linkages in the technological network due to the tacit nature of technological knowledge.