

Business networks

A study of managers in small companies and their perceived benefits of formal business network participation.

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Tutors: Timurs Umans

Authors: Camilla Talarowska
Denana Tuzinovic

Abstract

Title: A study of managers in small companies and their perceived benefits of formal business networks

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Authors: Camilla Talarowska and Denana Tuzinovic

Tutor: Timurs Umans

Purpose: The purpose of this dissertation is to research managers of small size firms and to study managers' perceived benefits of their participation in a formal business network. Small firms can benefit from managers participation in formal business network by gaining more knowledge, getting access to resources, create alliances and create opportunities to internationalize.

Methodology: This dissertation is of a deductive approach. Existing theory of managers, managerial demographic characteristics, networks and the outcomes to form a theoretical background is used. From this theory we will develop pattern models, conduct a survey, test the result statistically and compare the result with our created perceived pattern models.

Conclusions: Our findings show that no matter what managerial demographic characteristics of the manager, small firm managers mostly perceive to benefit from more knowledge, gaining consultancy and improving their companies' position on the market as a result of their participation in the formal business network. Few managers perceived to gain knowledge about international markets, finding employees or created foreign co-operation.

Keywords: Business networks, small size firms, managers, managerial characteristic, resources, knowledge, co-operations and internationalisation.

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1. Introduction

This dissertation begins with an introduction of the theory and our study. The theory is important for the structure of our problem formulation and the purpose with this dissertation. After the introduction a description of our problem, purpose and research question is provided.

1.1 Background

As the global market is becoming more trade-liberal the opportunities for small firms has increased (Karaev, Koh & Szamosi, 1997). Small and medium size enterprises (SME's) are a vital part of the world economy. In the European Union (EU), SME's account for 65% of the whole EU turnover. Also in United States of America, SME's are estimated to generate 50% of the total American GDP (Burns, 2001). In Sweden there are estimated to be around 600 000 businesses, where 99% of them are of small and medium size (Svenskt näringsliv, 2006). For those reasons it is interesting to research factors behind small firm's success.

During the last years, interest of business strategy has shifted from inter-organizational theories to studies of organizational environment factors. Developing relationships has been shown important for the survival of small size businesses (Fuller-Love & Thomas, 2004). There are various perspectives of measuring relationship value and most relevant would be to estimate value in a strategic perspective (Willson & Jantnia, 1995). Due to size a small company must enter alliances with same size firms and learn to take advantage this relationship (Karaev, Koh & Szamosi, 1997). It is interesting to highlight co-operation that take form within formal business networks and interactions that result in outcomes for companies such as alliances, internationalization, sharing intangible resources and knowledge. By creating networks, companies may gain competitive advantage against competitors, lower costs and save time by entering complex markets (Fuller-Love & Thomas, 2004). Relationships as a strategy to reach certain goals are a recent development in the economy. Studying formal business networks is important

since a network with relationships hold companies most valuable resources that the firms can exploit to create growth (Håkansson & Snehota, 1990).

The success and performance of firms that enters a network is dependent on organizations ability to cooperate with other actors and the capability to gain resources through exchange (Håkansson & Snehota, 1990). Firms use strategy management to adapt to the organizations environment and take advantage of its changing conditions (Håkansson & Snehota, 1994). Therefore, it is interesting to look at managers, with different managerial demographic characteristics, within formal business networks since managers are decision makers in small size firms and therefore influence strategic operations of the organization (Burns, 2008).

This dissertation is about how the manager of a small business being member of a formal network perceive to influence the company in its daily routines and in a long term strategically way. One is aware that nowadays the market is more open and therefore also more competitive and small companies are becoming more global. This leads us to assume that managers' strategic activities are of importance especially for small firms to gain advantages in a very competitive environment.

1.2 Problem

Previous research has shown examples of advantages and benefits of entering formal business networks, such as sharing resources, gaining knowledge, creating strategic alliances, share resources or to internationalize (Johnson, Scholes & Whittington, 2005; Clarke & Thorpe, 2006; Fuller-Love & Thomas, 2004 and Andersson & Florén, 2008). Previous research has also highlighted the importance of managerial demographic characteristics, such as age, gender, education and experience as an explanation of firms' behaviour (Andersson & Florén, 2008; Analoui, Kakabadse & Karami, 2005). No previous research has looked at managerial demographic characteristics of managers in small size firms and their perceived benefits in belonging to a formal business network. Therefore this study will look at managers of small size firms who participate in a formal business network in Sweden and look at perceived benefits of outcomes from their participation.

1.3 Purpose

The purpose of this dissertation is to explain the relationship between managers' demographical characteristics in small size firms and managers perceived outcomes of their participation in a formal business network. Small firms can benefit from managers participation in formal business network by gaining more knowledge, getting access to resources, gaining knowledge, create alliances and create opportunities to internationalise. Small companies can benefit from managers participation in a formal business network by gaining more knowledge, getting access to resources, gaining knowledge, create alliances and create opportunities to internationalise (Johnson, Scholes & Whittington, 2005; Clarke & Thorpe, 2006; Fuller-Love & Thomas, 2004; Andersson & Florén, 2008). Belonging to the network and taking advantages from benefits within the network may create a competitive advantage for small firms. By looking at managers' participation one can try to see if the small company's competitive advantages are directly impacted of managers' action.

1.4 Theoretical Limitations

The importance of small businesses development is highlighted to be crucial for the Swedish economy (Svenskt näringsliv, 2006). Managers in small firms have large influence on the company's strategic activities. Their behavior, action and strategic capability have a direct impact on the firms' performance (Burns 2001). Therefore this study will focus on small size firms, small size firms' managers and their characteristics. Participants of formal business networks come together to ultimately gain competitive advantages for their companies (Fuller-Love & Thomas, 2004; Coviello & Munro, 1995). Therefore the focus of this study will highlight formal business networks and four identified outcomes of formal business network participation such as resources, knowledge, alliances and internationalization. The study is limited to research managers' perception of these four outcomes by their participation of formal business networks.

1.5 Research questions and objectives

After looking at theories of business networks, benefits of a business network, managers, characteristics and small size firms the research question has been able to be

formulated. The objective is to look at demographic characteristics such as age, gender, experience and education of the manager and test these variables with perceived benefits of the formal business network. This leads to our research question:

Q1. How do demographic characteristics of a small firm manager influence on the managers perceived benefits of participating in a formal business network?

2. Method

Here an explanation of the technique and procedures of our research is provided with a description on how it will be undertaken. It begins with defining the research philosophy that is the applied throughout the whole dissertation. Thereafter follows an explanation of data collection method and choice of theory followed by the approach, definition of the study type and limitations.

2.1 Research philosophy

Research philosophy is the way one develop knowledge and from what kind of perception knowledge is developed. It is seen as a layer of the whole research and is used all the way through the process. Researchers pursue and view things from different ways and that is the philosophy one adopts. There are tree stated research philosophic principles on how one adopts to knowledge; positivism, realism and interpretivism. The principle of positivism supports one when preferring to work with an observable social reality in a value-free way that will lead to the production of credible data. This is done be using existing theory to develop hypotheses. The principle of realism one takes the reality as truth independent of the mind. There is direct realism that basically says what you see is what you get. Moreover there is critical realism that says that things you see does not appear to be what you think is real. Interpretive advocates that it is important to see things from a social way and interpret this in a meaningful way rather than to look at theory (Saunders, 2007). For this dissertation, research is made with a positivistic view with already existing theory used to form research question.

2.2 Choice of theory

For this study existing theory of following area had to be reviewed and interpreted. In the introduction we presented theory supporting our argument of the importance of relationships in small firm businesses. Secondly the focus will be on theories about business networks determination of a formal business networks. Thirdly this dissertation highlights theoretical background to the four outcomes of formal business networks participation. Last but not least choice of theory is previous studies made on managers in small firms and their demographical characteristics.

2.3 Research approach

There are two approaches to do research; inductive and deductive. Inductive approach is when one starts by collecting qualitative data in order to develop theory. When using deductive approach one tests theoretical propositions (Saunders et al, 2007). This dissertation will approach its research by using existing theory to form a theoretical background from models and therefore the approach is deductive.

2.4 Type of study

When one wants to seek new insights in a particular phenomenon the study is exploratory. Explanatory studies are when one focus on an existing situation or problem and explain the relationship between variables. The third type of study is a descriptive study and is used when one wants to portray an accurate profile of a person or situation (Saunders et al, 2007). This study will with the background of existing theory form a research question and try to explain the relationship between small size firm managers characteristic and their perception of benefits from network participation which is of the explanatory type of study.

3. Theoretical framework

This chapter provides a theoretical framework consisting definitions of formal business networks which is important to define. It provides theory of selected beneficial outcomes such as knowledge, resources, alliances and what the effect is on the internationalization process. Furthermore to complete the theoretical framework for our research question, theory of small firms, managers and the definition of demographic characteristics of managers is clarified. The theory leads to our developed hypotheses.

3.1 Network models

It may be diffuse to some what the concept of a formal business network is. Therefore a presentation of different network theories will follow. During the last years different theories of networks have developed. Co-operation has been seen as important for the survival of small and medium sized businesses (Fuller-Love & Thomas, 2004). A business network can be defined as “a set of connected exchange relationships between firms” (Bernal, Burr & Johnsen, 2002, p.5). Actors in a network are defined by activities they perform and resources they hold. Through exchanges with other companies’ activities and resources, relationships are created and developed (ibid.). Hollendsen (1998) provides another definition of business networks that say: ”business networks are a mode of handling activity interdependences between several business actors” (p.49).

3.2 General concept of business networks

The industrial network model is a general perspective of networks and consists of a number of actors who are involved in the process of converting resources to an output. Here the network is defined as the economic exchange link between actors. The rational reason to enter the network is to exploit its access in resources (Axelsson & Eaton, 1992).

An assumption made in the industrial network model is that an individual firm is dependent on resources that other actors possess (Hollendsen, 1998).

Porters cluster model on how firms cooperate to gain competitive advantage also illustrates a form of business network. According to Porters cluster model, co-operation is build on the basis of a geographical area. There are arguments that other factors such as trust and interaction among actors, to search for common strategic goals, are of great importance to create an efficient cluster. Therefore actors of clusters join business associations to build stronger relations with other cluster participants (Karaev, Koh & Szamosi. 1997).

3.3 Formal business networks

Formal business networks can be defined as “voluntary arrangements between firms aimed at providing a competitive advantage for the participants” (Fuller-Love & Thomas, 2004, p.245) (Coviello & Munro, 1995).

The formal business network is defined as internationally formed groups of small to mediums sized profit oriented companies in where the firm managers have possibility to share inputs and outputs and are under direct interaction with each other for specific outcomes. Formal networks are where participants have agreed to share a level of coordination of actions and resources. Such formal networks are oriented by a resource mobilization strategy (Kingsley & Malecki, 2002). It takes time to develop a position in the network since actors have to create relationships which requires managers to be engaged, motivated to interact, have right resources and able to make adaptations (Hollendsen, 1998). Participation in the formal business network provides the entering firm manager with distant perspective and an opportunity to gain alliance with a third party against a competitor. The members of networks are inter-dependent and this is an outcome of investment in alliances, knowledge and routines. All change within the network must for example be accepted by majority of members in the network. Therefore a critique of the network structure is that the association sometimes is static even if members with time add new influences (Axelsson & Eaton, 1992).

3.4 Actors interaction within formal business networks

The formal business network model differs from other models since it involves communication and a relationship between actors. Unlike hierarchies, where one unit is controlled and organized from the top, a business network can easily shape and be organized by actor’s willingness to exchange relationships (Hollendsen, 1998).

Communication in co-operations can test the relationship between two actors. The partners may not always know or trust each others intentions so joint actions may be an opportunity to build relations for future alliances (Håkansson & Johansson, 1986).

Personal interactions build up trust in a relationship and set grounds for mutual goals. Organization must have a certain amount of their strategic goals that only can be achieved through the relationship for the co-operation to be meaningful. Additionally it is possible to estimate the value of goals reached through a relationship (Willson & Jantrnia, 1995).

Interactions of firm managers can vary a lot in activities and also be influenced by the network in different ways. The common aspect of interaction can be captured in the organization perspective of interaction with other (Håkansson & Johansson, 1986). According to Håkansson & Johansson (1986) a firm's aspects of interaction are; (1) Interaction between two actors in the network occurs when the parties want to gain from each other. The capability's of one organisation gives opportunity to another firm in the network. (2) The interaction is built on social relations between managers with common goals and interests (Håkansson & Johansson, 1986).

Firms enter relations to gain competitive advantage on the market so that the organization can reach their strategic goals. Actors' performance in a relationship is crucial for future co-operation. If parties of a relationship are not satisfied by the outcomes of co-operation's then the organization will not be able to sustain a relationship with its partners. To be able to measure the value of co-operation in strategic perspective managers must be able to forecast the outcomes of the relationship which is a complex task (Willson & Jantrnia, 1995). Since focus is on small firms next chapter will review theories related to these organizations followed by theories, which will help to identify the outcomes of strategic relationships. Firms enter relations to gain competitive advantage on the market so that the organization can reach their strategic goals (Willson & Jantrnia, 1995). Participation in the formal business network provides the entering firm manager with distant perspective and an opportunity to gain alliance with third party against a competitor (Axelsson & Eaton, 1992).

3.5 Small firms

To be classified as a small firm must have between 10-49 employees and a turnover less than 10 million euro. Micro-businesses are firms who have less than 10 employees and a turnover less than 2 million euro. The average number of employees in the whole European Union is 7 employees per business (Svenskt näringsliv, 2006).

There are two categories of micro-firms dependent on what the purpose of the small firms' activity is. Lifestyle firms are mainly set up as an activity that the owner or manager enjoys. There are no strategic aims for further growth. Most manager owned firms fall into this category. Growth firms are set up with the intention to grow. Effective strategic management is vital for the firms to survive and succeed (Burns 2001).

Most of all the smaller enterprises are often short of cash. This influences the strategic activities and expansive promotion is avoided. Instead the manager invests in building relationships with potential prospects and other actors on the market. The financial situation in smaller organizations influences the decision making process may be the employment of new staff. The cost of the action is large for the firm and decision makers must always make sure that their actions are beneficial in a short term. Small firms are less formal and their decision process involves less individuals. This leads to faster decisions that are more responsive to changes in the market place. They can easier adapt to a few factors in the environment. However small firms are less able to influence their environment (Analoui & Karamd, 2002). Therefore it has been suggested that small and medium size enterprises use business networks to "pool resources and talents together, to reach results which would not be possible (due to cost constraints and economies of scale) if the enterprise operated in isolation" (Dean et al 1997, p.78).

3.5.1. Small firms and formal business networks

Prior studies have shown that factors like years in business, size and educational level of managers in small firm influences the choice of entering a formal network. Also prior study showed that small companies who have been in business between 10-20 years and have less than 10 employees where more likely to enter a formal network than firms who where "younger" than 10 years or "older" than 20 years (MacGregor, 2004).

Macgregor (2004) claim that especially small firms' survival is strongly related to their

adaptability on the market. Smaller firms cannot due to size influence its environment (MacGregor, 2004). Smaller firms are accompanied with creating fragility for this reason supportive environment such as networks are vital for competitive advantage (Donckei & Lambrecht, 1994). In contrary to larger firms, small firms often lack internal resources such as expertise and are more dependent on external resources to solve problems. The adoptability to the market is gained though partners within the network (MacGregor, 2004).

Studies have also shown that smaller companies gain benefits when pooling together resources and exchanging expertise for development reasons and those small firms may not possess the experience, resources and capabilities like larger firms (Bernal, Burr & Johnsen, 2002). Moreover small firms form networks of collaboration to compete against larger firms in new markets. In a flexible network every member can focus on a specific services, production or process and share costs to gain quick response on new business opportunities (Indegaard, 1996). This is cohesive with the Industrial Network model and the resource mobilization model (Indergaard, 1996).

3.6 Outcomes of business networks

There can be numerous of outcomes from the participation of a formal business network. In this dissertation, four outcomes have been chosen. The chosen four outcomes are obvious major ones; resources, knowledge, alliances and internationalization. In the following sections a presentation of the importance of the outcomes are made, starting with resources.

3.6.1. Resources

Strategic capability or organizations ability to succeed is defined as sustainability of their resources and competence (Johnson, Scholes & Whittington, 2005). Human resources provide the firm with core competence, organization activities and processes so that firms position its resources in such way that other actors cannot imitate to gain competitive advantage. Human (intangible) resource are defined both by the number of people in the organization and their diversity but also by the peoples assets in information, skills and knowledge. Organizations can access these intangible resources externally though people in the organizations network (Johnson, Scholes & Whittington, 2005).

The resource mobilization strategy in networks shows that small size organizations come together and interact to mobilize their resources so that the network can provide solution for the participants (Indegaard, 1996). Networks are flexible when it comes to rapid changing business environments and can provide the participant with intangible resources that are crucial for the small firms' survival (Hollendsen, 1998). Therefore this study will focus on intangible resources, resources that cannot physically be touched, as an outcome of participation in formal business networks.

3.6.2. Knowledge

For learning and developing the small firms manager need relate to others from whom they can gain a rhetorical and argumentative process. The social dimension of learning is effective and approached by manager-owned firms mainly when relating to other parts of the firms surrounding environment (Clarke & Thorpe, 2006).

A dialog with an outside part and the manager allows the organisation to see new perspectives and enhances the value of the companies' uniqueness. Therefore in networks where learning comes from opportunity to create contextual knowledge in an informal way leads to resources such as skills, information and knowledge. The beneficial opportunity for the small firms' manager is interaction and it has been suggested that managers gain performance improvement though networks that ultimately lead to competitive advantage (Clarke & Thorpe, 2006).

3.6.3 Co-operations

The nature of alliances is defined by its activities. Firms that utilize their resources though improvement of existing capabilities have exploitative actives in their alliance. The main aim of exploitative alliance strategy is efficiency. In explorative activities, firms seek opportunities for new capabilities and innovation. The need for information sharing is much higher in this activity and the alliance must offer a free knowledge form and communication for the co-operation to be successful. Explorative activities are more efficient knowledge transfer alliances (Jolly & Khamseh, 2008).

Working together with other organizations can be more beneficial than competing with them (Fuller-Love & Thomas, 2004). The organizations relationships with others stand

for the interface of exchange with other parties (Håkansson & Snehota, 1994) Moreover
” It can be said that the co-operation with each other and society is at the heart of any
success in management today, and also that this co-operation is at the heart of
competitive strengths” (Fuller-Love & Thomas, 2004, p 246).

For a firm, strategic significance is to form strategic alliances, joint ventures and even
form relationships with competitors (Gulati & Zaheer, 2000) “Strategy is the direction
and scope of an organisation over long term, which achieves advantage in a changing
environment through its configuration of resources and competences with the aim of
fulfilling stakeholders expectations” (Johnson, Scholes & Whittington, 2005, p. 9).

There are diverse ways of maintaining strategic decisions and one way is for managers
to uphold relationships and networks with suppliers, distributors and customers
(Johnson, Scholes & Whittington, 2005). During the last years business strategy interest
has shifted from inter organizational theories to study if organisation environment
factors. Firms use strategy management to adapt to the organizations environment and
take advantage of its changing conditions (Håkansson & Snehota, 1994).

”A strategic alliance is where two or more organisations share resources and activities
to pursue a strategy” (Johnson, Scholes & Whittington, 2005, p 353). If this relationship
involves known partners the interaction can be defined as a network. A network with
relationships holds a company's the most valuable resources that the firm can exploit to
create growth in performance. The success and performance of firms that enters a
network is dependent on the organizations ability to cooperate with other actors and its
capability to gain resources though exchange (Håkansson & Snehota, 1994). For
development of new knowledge by access to transferred information between
organizations research shows that strategic alliances is becoming the most usefully form
for utilizing resources and gain competitive advantage (Jolly & Khamseh, 2008).
Moreover it is a competitive advantage to form alliances and partnerships. Co-operation
may help small firms to compete with larger firms since they can gain access to new
capabilities, resources and skills of each other (Bernal, Burr & Johnsen, 2002).

Organizations activities that are based on their information and knowledge resources
give firms competitive advantage in today’s economy knowledge is an important core
resource in an organization and a resource that is difficult of competitors to imitate. Co-

operation's and alliances give access to external resources in information. Factors affecting transfer of knowledge within alliances may vary. Research shows that managers must be aware of what kind of information can be gained before entering an external co-operation with other actors. This will give the firm advantage in the alliance (Jolly & Khamseh, 2008)

Jolly & Khamseh, (2008) found factors impacting on knowledge transfer in alliances, these categories:

- The nature and characteristics of required or transferred knowledge
- The absorptive capacity of partners
- The shared behavior of the partners
- The nature of alliance activity

The nature of knowledge means tacit or explicit knowledge could affect the transaction of information between the actors. The same goes for core and complementary knowledge. The formal explicit knowledge can be transferred through some form of database. Tacit knowledge is required by human resources through application and experience and difficult to formalize. Some researchers believe that explicit knowledge is easier to document and also more adaptive to transfer between organization boundaries (Jolly & Khamseh, 2008)

Factors affecting the absorptive capacity of partners are resource overlap and prior relationships. Resource overlap can also be defined as relating transferred information with already existing knowledge. Similar resource and structure helps partners identify the value in information and research shows that those alliances with actors who are similar in organization structure have more efficient information transfer. Prior relationships build up understanding of the external organizations. Also prior co-operation's with previous transferred knowledge gives opportunity for new addition information to build on the already implemented one (Jolly & Khamseh, 2008)

The shared behavior of partners such as protection of certain information makes transfer of knowledge through alliances less efficient. The beneficiary organization's learning intent should be high for alliances so it would be of any use for the firm's learning. (Jolly & Khamseh, 2008)

To be able to work together with alliances a lot of trust is needed. (Fuller-Love & Thomas, 2004) Trust is crucial for alliances to be cost effective sense it reduces the transaction costs by reducing the need for control mechanisms. Also trust decreases fear of opportunity in the partner (Jolly & Khamseh, 2008). Deponents of the network makes it difficult for the company to leave its alliance since the organization can lose its identity when the firms disconnects from its interactive environment (Håkansson & Snehota, 1994).

3.6.4 Internationalization

Since co-operations are important for firms to internationalise (Bernal, Burr & Johnsen, 2002), this next chapter, which also is our forth outcome, will provide theory of co-operation on an internationalisation perspective as well as how internationalisation can be an outcome from a business network.

3.6.4.1 Network perspective on Internationalisation of small firms

The global business is becoming more complex, trade barriers are reducing and more companies are internationalising (Bernal, Burr & Johnsen, 2002). Relationships are needed to create future business and give access to the global market (Bernal, Burr & Johnsen, 2002). Small firms are becoming more and faster international than before (Andersson & Florén, 2008). A study made by (Bernal, Burr & Johnsen, 2002) showed that being member of a network gave companies a worldwide access. Also the competitive position is strengthened by being part of a network and also the international competitive position. Membership in a network has positive effect on growth and development of the company and gives companies a chance to exploiting other firm's resources and market knowledge (Bernal, Burr & Johnsen, 2002). Network theory can present a new perception of the internationalization process of a small firm since they are dependent on relationships. Moreover in the internationalization process firms are more dependent in relationships in the current market since they may contribute to this development (Coviello & Munro, 1995).

A network may operate internationally but it is argued that the internationalizing firm in engaged in domestic networks (Hollendsen, 1998). Network partners may influence mode of entry and also choice of market. When it comes to the network perspective of smaller firms, the internationalisation process is determined by their developed

networks (Bell & Loane, 2006). Networking is a method small firms use to gain access to external resources and also provide access to innovation and technologies (Bernal, Burr & Johnsen, 2002). Bell and Loane (2006) found that networking improves resources and knowledge of internationalisation of small firms. There are different types of resources within an organization such as technological, financial, human, physical and organisational ones (Bell & Loane, 2006).

Creating relationships is important especially for small companies since without being part of an international network it may be difficult to compete internationally. International networking moreover is important for reasons like identifying partners and develops an international market presence since small firms may have difficulty in getting access to these international contacts. Within the network firms can exchange information on markets and products. As a result of a network, one can connect activities and resources with other firms than may offer the SME capabilities they would not manage by themselves (Bernal, Burr & Johnsen, 2002).

3.6.4.2 Internationalization through forming alliances

The most popular mode of entering new markets is through forming alliances (Mazloomi, Khamseh and Jolly). Strategic alliances are also the most successful mode of entry in organizations internationalization process. Throughout alliances, companies are likely to gain knowledge faster which is important in a fast changing business environment. A firm can acquire partner's knowledge and gain advantages like not to go through same bad experiences and difficulties their partner had to go through. Another aspect is that in some markets, e.g. China, alliances require foreign firms to go into joint venture partnerships with local Chinese firms in order for them to do business and get access to local resources (Ratten & Suseno, 2006).

3.6.4.3 Internationalization theory

There are different models of small firm's stepwise international development. Coviello and McAuley (1999) found three schools when they re-evaluated small firms' internationalization; (1) foreign direct investment (FDI) theory. (2)The establishment (stages) model of internationalization. (3) The network perspective.

FDI is when a company from one country makes an investment into building a factory in another country. The stages model theoretical basis is the behaviour of the firm where experimental and objective knowledge plays a big role. Experimental knowledge is acquired by experience. The internationalization process is seen as a learning process. It is also said that firms enter markets with smaller psychic distance. This means countries with similarities in language, culture, political systems, education and industrial development. Not all models explain why small firms start to internationalize and many of the models explain why large multinational companies internationalize (Andersson & Florén, 2008). Small firms may not follow the stages approach to internationalisation. Instead it has been shown firms develop relationships that assist their internationalisation process (Bernal, Burr & Johnsen, 2002).

3.6.4.4 Information gathering in networks about international markets

Information of the international marketplace is called internationalization knowledge. Gathering market specific knowledge is crucial for a company's internationalization process and it is also an ongoing course of action. Market specific knowledge and firm specific knowledge is essential and helps a firm with information of new markets, supports the firm's activities, provides technology and efficiency. Knowledge that is needed when entering new markets can be about local businesses practices, knowledge of the culture and knowledge of regulations. A firm also possesses international abilities that are what resources and capacities they possess to enter new markets (Ratten & Suseno, 2006). Smaller firms may lack knowledge to internationalise since they are resource constrained (Bell & Loane, 2006).

It is not possible to gather information without being part of a network of a market. It is connected with the experimental learning theory which is a learning process. Entering a foreign market is a learning process. The main purpose of the network view is that corporation that includes trusting, communicating and creating bonds is more efficient than competition for the development of a firm (Andersson & Florén, 2008).

Andersson & Florén (2008) state that some small firms are better at internationalize than other firms. This is due to managers' large personal networks that are an advantage for the firm. The larger personal network is explained by them interacting more with external actors rather than internal as non small firm managers. Small firms are also part

of different networks that may influence the work of manager (Andersson & Florén, 2008).

The network perspective is a non-hierarchical system in the area of internationalization and focuses on firm behaviour in the context of a network of relationships. These networks can involve both formal and informal relationships such as competitors, suppliers, customers, agencies, families and friends. According to this school of research internationalization depends on the network relationships rather than firm-specific advantages other schools of research presents and it also offers a complementary view to other schools of internationalization theory. Studies also show that foreign market entries are a result from interaction, development and maintenance of networks and also open bridges of internationalisation opportunities (Coviello & McAuley, 1999).

3.6.4.5 Critique of firms internationalization through networks

It has been critiqued that the network approach may be controlling and network partners may control the choice of markets also been critiqued for the lack of predictive power (Bell & Loane, 2006; Coviello & Munro, 1995) Internationalisation of smaller firms is driven by networks and that these networks may influence market choice and entry modes (Bell & Loane, 2006). Critics about this model have said that the network approach is more valid in the early stages of the internationalization process. Local networks found in the foreign subsidiaries are crucial for foreign activities. Personal networks are mostly important for small firms (Andersson & Florén, 2008).

3.7 Managers in small firms

Theory of small firms has previously been discussed in this study, but when it comes to influence, the small firm cannot without a person, someone with influence on the business, benefit from business networks. Therefore we define what influential role managers have on their firms, and further develop more theory on the specific characteristics of the manager.

Managers in small firms vary in gender, age and education level (Burns, 2001). The personal and behavioral characteristics of the top manager influence the decision making and management of a small firm. The manager has been shown to focus more and more on mission statement in small firms' organizations. One explanation is the

dynamic environment that small firms find themselves in today. Managers use mission statements as a tool to manage strategic vision and implement these to employees and managers in the organization (Analoui & Karamd 2002). According to Analoui & Karamd (2002) the manager of a small firm is the prime candidate to develop and plan business strategies, improve profit growth, promote goals to all employees and clarify goals for other managers and employees. These factors have a positive impact on firms' performance.

3.7.1 Managerial demographic characteristics

In this study we have defined in general what managers in small businesses do. The aim of our study is to draw a relationship between manager's demographical characteristics with perceived outcomes from their participation in formal business networks. Previous research has connected managerial qualities such as managerial demographic characteristics like, capabilities, expertise, age and education with successful firms. A research made by Analoui, Kakabadse & Karami (2005) has explored the relationship of these managerial demographic characteristics and the influence on firm's performance.

Business manager's educational background is linked to the performance of a company, innovation and to changes in corporate strategy. The higher the level of a manager's education the more creative solutions to problems are expected. Some research has suggested that education level is linked with being open-minded and being interested in foreign affairs and willingness to benefit in doing international business. Educated managers place more weight on opportunities for the company. It is also stated that younger managers are better educated and are better knowledgeable which mean they find information easier. Higher level of education of a manager has several benefits such as being creative, problem solving and also open-minded to international opportunities. Theory also state that younger managers are better educated which leads us to assume younger managers are also connected with a higher level of education. Since younger managers are willing to take risks, are more flexible, willing to accept changes and better at developing long term strategic goals for a company, the proposition is that younger managers perceive different outcomes from their participation in the formal network then senior managers (Analoui, Kakabadse & Karami, 2005).

Work experience is linked with better contacts and access to information, which increases firms' abilities in companies' internationalisation process. Senior managers have better industry knowledge and more managerial work experience which result in better product knowledge and more expertises which leads to senior managers to put more weight on formal strategy development. When it comes to gender the quality of management is found to not to differ (Analoui, Kakabadse & Karami, 2005).

Combining previous research about managerial demographic characteristics with the theoretical framework of network outcomes in this dissertation has lead to the development of models to rank the outcomes correlated to managerial demographic characteristics shown in the next section.

3.8 Model creation

To organize this research we will create models. A mixture of theory and our own interpretations will be used to help organize the data analysis. The descriptive statistic measurements will rely on our prior experience and what we expect to occur. When using this approach one involves prediction of a pattern of outcomes based on theoretical propositions. For this procedure the nature of variables are considered. First one uses a set of dependent variables, in this case the outcomes, then one suggests that the dependent variables are arising from an independent variable, in our case the managerial demographic characteristics. After having specified our expected outcomes one engages in the process of data collection and analysis. Thereafter a match of our findings in the data analysis will be made with our assumed model of pattern matching to seek evidence. A model of our findings will be presented, and then a comparison will be made if our model of pattern matching is correct.

The managerial demographic characteristics highlighted in the theory and interpreted as very important for managers' perceptions. These are age, education and experience (Analoui, Kakabadse & Karami, 2005). The identified outcomes of a formal business network are resources, knowledge, co-operations and internationalization. The managers assumed perceptions of outcomes from their participation in formal business networks are presented below.

3.8.1 Work experience

Managers can improve performance that ultimately leads to a competitive advantage by gaining knowledge through networks (Clarke & Thorpe, 2006). According to Analoui et al (2006) managers with more work experience have better access to knowledge and therefore we assume managers in this group have more experience when it come to gaining knowledge and experience of improving performance though new knowledge. Therefore managers in this group should experience higher perception of gaining general knowledge than other outcomes of their participation in the formal business network. Our model states (1) more experience managers mostly perceive knowledge as an important outcome of network participation. Mangers with more work experience have lager contacts networks (Analoui, Kakabadse & Karami, 2005). From the network point of view this means that the manager can more easily access resources (Kingsley & Malecki, 2002). Therefore we assume that managers in this group to (2) perceive intangible resources as an outcome of formal networks participation. Analoui et al (2006) state that more experienced managers are more interested in formal management strategies and that managers in this group are less risky in their strategic operations. This could be interpreted as mangers with more experience to have expanded their company to a satisfactory size so the focus is mostly on managing the already existing company. Therefore we assume more experienced managers to be less interested in expansion such as (3) internationalizing their companies and therefore have a lower tendency to perceive this as an outcome of network participation. As mentioned before, experienced manages have a larger contact network (Analoui, Kakabadse & Karami, 2005). For that reason in this study it is assumed that senior managers already aid their company to position them selves on the market since networks provides the small firm with a supportive environment which leads to opportunity for the small company to compete against larger firms. Therefore the perception of (4) co-operation's as result of participating in formal business network should be very low. Mangers interpreted perception of their participation in formal networks is illustrated in *model 3.1*.

Model 3.1 Pattern model, work experience and perceived outcomes

Rank of more experienced	Perceived outcomes
1	Knowledge
2	Resources
3	Internationalization
4	Co-operation

3.8.2 Education

The higher education of the small firm manager, the assumption is that the more the manager will agree to following outcomes in an order of 1-4 where 1 is the outcome the manager mostly agrees to. During the last years, interest of business strategy has shifted from inter-organizational theories to study of organizational environment factors (Fuller-Love & Thomas, 2004). The social dimension of learning is effective and approached by manager owned small firms mainly when relating to other parts of the small firms surrounding environment (Clarke & Thorpe, 2006). Business manager's educational background is linked to the performance of a company, innovation and to changes in corporate strategy (Analoui, Kakabadse & Karami, 2005). Therefore the assumption is that more educated will mostly perceive to gain (1) knowledge as an outcome of their participation in formal business networks. Bell and Loane (2006) found that networking improves knowledge of internationalization for small firms. The network perspective is that participants are given opportunity to exploiting other firms' market knowledge. The most popular mode of entering new markets is through foreign co-operation's (Bernal, Burr & Johnsen, 2002).

Education in a managerial perspective is linked with being open-minded and being interested in foreign affairs and willingness to benefit from doing international business (Analoui, Kakabadse & Karami, 2005). Therefore this model assumes that younger more educated managers have high perception of (2) internationalization of their firms as a result of the managers network participation. Network participation can help small firm to improve their companies' position (Bernal, Burr & Johnsen, 2002). As

mentioned above a network provides the small firm with a supportive environment which leads to opportunity for the small company to compete against larger firms (Donckei & Lambrecht, 1994). Educated managers place more weight on opportunities for the company. Analoui, Kakabadse & Karami (2005) state that younger managers are more educated and more willing to pursue risky strategies. Managers in this group are more flexible and more willing to accept changes and to devote them selves to strategic development of the company than more experienced managers (Analoui, Kakabadse & Karami, 2005). Therefore it is assumed in this model that more educated managers have a higher tendency to perceive (3) to improve their companies' position on the market as a result of network participation than more experienced managers. As mentioned more experienced managers have more managerial work experience which result in better resource knowledge and more expertises and this makes the senior managers more likely to focus on internal formal strategies such as intangible resources than more educated (Analoui, Kakabadse & Karami, 2005). Therefore in this model it is assumed that younger or more educated managers rank the perception of (4) gaining intangible resources low. With the background of the theoretical framework, this study interpreted managers' perception of outcomes from their participation in formal business networks as illustrated in *model 3.2*

Model 3.2. Perceived pattern model, education

Rank of older managers	Perceived outcomes
1	Knowledge
2	Internationalization
3	Co operations
4	Resources

3.8.3 Younger managers

The younger the age of the respondent, we assume the more the manager will agree to following outcomes in an order from 1-4 where 1 is the outcome the manager mostly agree to. According to Analoui et al (2006) younger managers are more educated, more

knowledgeable and find information easier (Analoui, 2006). This could help the manager to identify, according to Clarke & Thorpe (2006) shared knowledge within the formal business network. Therefore we interpret this group to mostly perceive gaining (1) knowledge as an outcome of formal business network participation. Younger managers are more willing to conduct risky strategies. Younger managers are more flexible and more willing to accept changes and to devote them selves to strategic development of the company than older more experienced managers (Analoui, Kakabadse & Karami, 2005). Therefore in this model it is assumed that younger managers have high perception of gaining (2) co-operations as an outcome of their participation in formal business networks. Analoui et al (2006) also state that younger managers are more interested in internationalising their companies than other managers. Therefore in this model young managers are assumed to have more interest and more perception of their companies (3) internationalization process as and outcome of their participation in formal business networks than other outcomes. Senior managers have better industry knowledge and more managerial work experience which result in better product knowledge and more expertises which leads to senior managers to put more weight on formal strategy development the younger managers (Analoui, Kakabadse & Karami, 2005). Therefore in this model younger managers perception of finding (4) intangible resources is expected to be very low. The rankings are illustrated in *Model 3.3*

Model 3.3 Perceived pattern model, Younger managers

Rank of younger managers	Perceived outcomes
1	Knowledge
2	Co operations
3	Internationalization
4	Resources

3.8.4 Older managers

A dialog with an outside part and the owner manager allows the organisation to see new perspectives and enhances the value of the company's uniqueness. Therefore in networks where learning comes from opportunity to create contextual knowledge in an informal way leads to resources such as skills, information and knowledge. The beneficial opportunity for the small firm manager is interaction and it has been suggested that managers gain performance improvement through networks that ultimately lead to competitive advantage (Clarke & Thorpe, 2006). Older managers could be interpreted as more experienced and therefore to have larger contact networks are greater access to knowledge, therefore in this model it is assumed that the perception of older manager mostly tend to perceive **(1)** knowledge as a result of network participation. As mentioned before, older managers have more managerial work experience which leads to that older managers put more weight on formal strategy development and would prefer to find **(2)** intangible resources to gain competitive advantage. Older managers' access to contacts improves firms' abilities in companies' internationalisation process (Analoui, Kakabadse & Karami, 2005). In the model it is assumed that older managers to some extent perceive **(3)** internationalization as an outcome of their participation in formal business networks. Firms enter relations to gain competitive advantage on the market so that the organization can reach their strategic goals (Willson & Jantrnia, 1995). Personal interactions build up trust in a relationship and set grounds for mutual goals (Willson & Jantrnia, 1995). Participation in the formal business network provides the entering firm manager with distant perspective and an opportunity to create alliance with a third party against a competitor (Axelsson & Eaton, 1992). Co-operations are built on strategic relationships and take time to evolve since actors in the relationship must have time to perform to build up trust in the co-operation (Håkansson & Johansson, 1986). Older managers have as mentioned before large contact networks where they have had time to build up trusted relationships. Therefore the formal network participation by older managers would not primarily be used to find co-operations therefore the perception of **(4)** co-operation as an outcome should be low. The rankings are illustrated in *Model 3.4*

Model 3.4 Perceived pattern model, older managers.

Rank of older managers	Perceived outcomes
1	Knowledge
2	Resources
3	Internationalization
4	Co-operation

4 Empirical method

In this chapter a presentation of methods used when collecting data follows. First the choice of empirical method is presented. Thereafter a presentation of the strategy is made, how and where the empirical data has been collected. Time horizon, reliability and validity are also presented.

4.1 Choice of empirical method

Data is defined as “facts, opinions and statistics that have been collected together and recorded for reference or for analysis” (Saunders et al, 2007, p. 595). The data collected for this study can be measured numerically and is called quantifiable data. (Saunders et al, 2007). The quantitative data has been collected by questionnaires and have been analysed with statistical significance. Using one single data collection technique is called mono method (Saunders et al, 2007).

4.2 Research strategy and data collection method

According to Saunders (2007) there are 3 major forms of conducting a questionnaire, by structured, unstructured and semi-structured questions. In this research a structured questionnaire is used. This means that every respondent get the same questionnaire and the questions are close ended. Since our analysis is of quantitative character, the structured questionnaire allows us to make a statistical comparison.

The questionnaire can be self-administrated or interviewer-administrated. Self-administrated questionnaire mean that the respondent by themselves fill out the questionnaire. Self administrated questionnaires can be sent out by post, by internet or by delivery-collection way (Saunders, 2007). In this dissertation self-administrated questionnaires are used and internet-mediated, where the respondents get an email with instructions to enter a webpage and by them selves fill out the questionnaire. According to Saunders (2007) positive attributes with internet-mediated questionnaires is that one can get a large size of sample widely geographically dispersed. The data input is also automated (Saunders, 2007). It is also environmental friendly not wasting paper and it is cheap which can come in hand if one is a student with a restricted budget. Negative

attributes about using online questionnaires are that the respondent has to be computer literate, frequently use email (Saunders, 2007). The researcher also has to have knowledge in computer programs when conducting the online survey.

4.3 Sample selection and population

Since it is not possible to collect data from an entire population one needs to select a sample. One needs to select the case study sample and this can be a certain organization or business, and after that select what population to collect the sample from. The population can be managers or employees. There are four ways of sampling techniques, probability, representative, non-probability and judgemental sampling techniques (Saunders, 2007). In this dissertation our sample is collected within a Swedish formal business network, *Företagarna*. The population within this business network is known to be managers in small businesses. Therefore probability samples are used, and positive with this is that one can estimate statistically the characteristics of the population of the sample (Saunders, 2007). Probability sampling is also associated with survey-based research strategies and this is used in our case.

In this dissertation the sample size was easy to choose, since 9700 members out of the total 55000 members of *Företagarna* have already approved to participate in different surveys, *Företagarna* were able to send out our online questionnaire to all of them therefore no sampling strategies were necessary to use.

4.4 Time horizon

There are two ways of measuring the time horizon. It can be a cross-sectional or longitudinal study. Cross-sectional studies are a study of particular phenomena at a particular time. Doing a longitudinal research one can study changes and development over an extended period of time. Since writing this dissertation with time constrains and the particular phenomena is the questionnaire being send out during a certain time among managers in a formal network, this dissertation is cross-sectional.

4.5 Sample size

Sample size is important for the reason that it is representing the population. One needs to calculate the needed sample size to have a certain level of certainty. The higher population, the more sample size is needed to minimize the margin of error and this

means one get better representation of the survey (Saunders, 2007). According to a guide provided by Saunders (2007) if the population is 100 000, 8762 needs to be in the sample in order to get 99% of certainty of representation of the population. In our case the population is 55000 members, and the questionnaire is send out to 9700 members, this is assumed as a good sample size to have high level of certainty.

On the other hand the high level of certainty the sample size represents the population, one need to have a high level of response rate. The higher the response rate, the more representative the conducted survey is (Saunders, 2007).

4.8 Operationalization

The dissertation research is operationalized by 3 independent variables as managerial demographic characteristics: age, education and work experience and 4 dependent variables as outcomes of network participation: resources, knowledge, alliances and internationalization.

4.8.1 Independent variables

Age is measured in age groups by a scale of 10 years in each group. Experience is measured as the respondent's total years of work experience and the independent variable education is measured as managers' educational background.

4.8.2 Dependent variables

The 4 dependent variables are operationalized by the managers' perception on outcomes by being a part of the formal business:

- Intangible resources measured as perception of gained consultancy expertise and employees found.
- Knowledge as perception of gained general knowledge.
- Alliances measured as perception of improved position on the market.
- Internationalization is measured as perception of foreign co-operation's and more knowledge about international markets (Bernal, Burr & Johnsen, 2002).

4.8.3 Operationalization of the Questionnaire

The subjects of research are members in one of the largest formal business network in Sweden named Företagarna. And the questionnaire with 17 questions (appendix 1) is sent out within Företagarna.

The dependent variables, the outcomes are answered by rating questions, in a so called likert rating scale (Saunders, 2007). In a likert scale one has the choice of answers on rating if they strongly agree, agree, nor agree or disagree, disagree or strongly disagree. Due to our questionnaire was administrated by Företagarna an addition of the choice of answer no opinion was added by them. Those who answered no opinion were not included in our analysis of the data.

4.10 Data analysis

To present data analysis is an important step. Our survey is provided with quantifiable data that measures interval value between two variables. The statistical significance will be measured by Pearson's product moment correlation coefficient test (PMCC). The analysis and interpretation of the data provides an explanation of the occurred frequency in correlations between the variables. Describing data provides general impressions seen as common, middling or average. This is termed as central tendency and measured as value that occurs most frequently (mode), middle value or mid-point after the data has been ranked (median) and data as the average, that includes all the values in its calculation (mean). This analysis will be provided with a mode of most occurred frequency. The larger numbers of categories will be grouped into a module group with most frequent occurrences.

After checking if our data is statistically significant with the help of the PMCC test, the analysis continues with descriptive statistics to be able explore tendencies in each group of the demographics in able to rank the certain outcomes in order to be able to compare with our model of rankings by the small firm manager. This is also called exploratory analysis since it considers calculations guided by the research question. When having this approach it emphasizes the use of diagrams to explore and understand data. One looks at key aspects likely to specific values, highest or lowest values, trends over time, proportions and distributions are to be considered to look at when beginning the

exploratory analysis. Once doing the key aspects one considers looking at relationships between variables (Saunders et al, 2007). The conclusions of our measurements of our data will be shown in tables with an interpretation-analysis in words. In our calculations of the data we use frequency distribution, highest and lowest values, proportions, distributions of values, median and the mean. The findings will be shown in rankings of the most chosen variables by managers different characteristic, education, experience and age.

4.6 Validity

Validity means to what extent our online questionnaires actually measure what they intent to measure. Validity is also about if the researcher can gain access to the right knowledge and get the right information. When making a questionnaire one needs to have structured questions in order for the questions to represent the reality (Saunders, 2007). In our case, access to members of Företagarna has been granted. Företagarna is one of Sweden's largest formal network and our respondents, the members, were managers of small firms. This is the population intent to study. With a combination of easy understood formed questions in our questionnaire that has been carefully reviewed and that managers have the right knowledge to answer our questions since they have a link both to the formal network and to their companies we can draw a conclusion we can say the validity in this dissertation is high.

4.7 Reliability

For a questionnaire to be valid it also needs to be reliable, this means that the respondent correctly interprets the questions in ask. There are three common approaches to test reliability in a questionnaire; test re-test, internal consistency and alternative form. Test re-test, the questionnaire is administered twice to the respondent. Internal consistency measures the consistency of responses. Alternative form is when one tests a question with alternative forms of the same questions included in the survey (Saunders, 2007). Our concern is that one may not give extra information to the respondent since they self-administrate the questionnaire and do not meet face-to-face with the respondent. The respondents are also anonymous so no follow up can be made. There are also no resources to do a test re-test and due to that the questions had to be limited, alternative questions of same sort could not be included. One way to rely that the questionnaire is reliable is the high internal consistency of responses.

5. Empirical data

As a finish to our dissertation an analysis is provided of the collected data from our questionnaire. First the response rate on our questionnaire is shown, after that the result of the questionnaire is provided into tables describing the share in percent of the respondents of the questions in asks. Thereafter a statistically measured analysis will be done in order to see if hypotheses developed are statistically significant. This will be closed up by an analysis of the empirical data, suggestions for further research proposals and conclusions.

5.1 Response rate

The total population able to reach and conduct our online survey were 9700 managers within Företagarna. 1164 number of questionnaires were filled out. Although not all questions were measurable the number of used questionnaires in the statistical calculations was 527. In order to calculate the total response rate it can be done according to Saunders et al (2007) by these following formulas:

Total response rate= Total number of responses / (Total number in sample-ineligible)
Therefore the total response rate is calculated; Total response rate=527/9700=5%.

5.2 Informative descriptive statistics

In this part general statistics showing the result of the online questionnaire follows. For the entire questionnaire see *Appendix 1*.

5.2.1. Gender distribution

In this question the gender of the respondent is asked. The gender distribution of respondents was out of 1164 participants, 80% males and 20% women. This is a very interesting result because according to the Swedish statistical central bureau (SCB) the distributions of gender within private sectors in year 2006 were 77% male and 23% females working as managers. In total, the distributions of managers within all sectors of employment 71% were male managers and 29% female manager (SCB, 2008). As conclusion of the gender distribution in our study the gender distribution is of high

accuracy with the reality and that the position as managers are highly dominated by males.

Table 5.1. Gender distribution

Choice of answer	Share %	Number of respondents
Male	80%	931
Female	20%	233

5.2.2 Age distribution

Here the age of the respondent is asked. In *table 5.2.* one can see the distribution of the age of the respondents, 1163 managers answered this question. The most frequent age group in our study are managers over 60 years, followed by managers between 56-60 years. More than 50% of our population is over 50 years of age. According to SCB the middle age of managers within small size firms is 47 year of age in year 2006 (SCB, 2008). In our study the middle age is a bit higher, estimated around 56 years. This is still very close to the reality and one can say that managers within small size firms are of relatively of a higher age.

Table 5.2. Age distribution

Choice of answer	Share %	Respondents
less than 26 years	0%	0
26-30 years	1%	7
31-35 years	2%	19
36-40 years	6%	69
41-45 years	10%	122
46-50 years	11%	133
51-55 years	19%	226
56-60 years	23%	269
Older than 60 years	27%	318

5.2.3. Education distribution

In this question the education of the respondent was asked. Number of responses are 1162. More than 50% of the participants were highly educated; they have studied at the University or college. According to Ledarna (2008) the education distribution generally among managers in Sweden is that 60% possess education on University/College level.

In our study 644 out of 1162 participants have studied at University/College which is 55% of the participants. This is very close to the reality and makes our study more representative. One could say that working as a manager requires education, and that in this study nearly 50% do not possess university or college education which is a high number. If this was a study of medium or large firms the number of managers who have studied at the University/college would probably be higher since with scale comes more responsibility. Most small size firms are started by the manager himself, so the manager may actually be the owner in the small firm, and to be an owner one could argue that no education is required. Not all people possess managerial skills, which also is under consideration when one wants to debate if education is necessary for managers.

Table 5.3. Education distribution

Choice of answer	Share	Respondents
Elementary school	6%	67
Elementary school (previous name)	2%	20
Highschool 2 years	3%	31
Highschool	22%	261
Trade education	12%	139
University/College (up to 3 years)	22%	260
University/College (3-4 years)	18%	205
University/College (5 years or longer)	15%	179

5.2.4. Tenure in the current position

The question, how long have you worked in your current position, was asked and 1160 manager answers. Over 50 % had worked over 15 years in their current position. Since the question does not measure the exact year in the current position it could vary from for example 15 or 40 years the manager worked in the current position. It is hard to say anything from these figures except assume that more than 55% of the firms are not new established firms since the manager has worked as a manager for the small size firm for over 15 years. On contrary one can not assume that 45% of the firms are new established firms since the manager might have worked at the firm in another position before.

Table 5.4. Worked in current position

Choice of answer	Share %	Respondents
1-3 years	3%	37
4-6 years	9%	99
7-9 years	11%	124
10-12 years	13%	156
13-15 years	9%	101
Longer than 15 years	55%	643

5.2.5. Tenure work experience

In this question the participants were asked how many years the respondents have been working in total, 1158 responded. 1038 of the managers had over 20 years of experience. Because of a high middle age of the participant shown in the age distribution it is pretty obvious that the total years of work experience also should be high.

Table 5.5. Total years of experience

Choice of answer	Share %	Respondents
1-5 years	0%	2
6-10 years	1%	9
11-15 years	3%	37
16-20 years	6%	72
21-25 years	11%	129
26-30 years	14%	157
Longer than 30 years	65%	752

5.2.6. Company size

A question asking how many employees there are in the respondent's current organisation, number of responses were 1158. This question verifies that the companies are of small size and 77% of the 1150 companies had less than 9 employees. The market is dominated by small firms so this result was expected.

Table 5.6. Employees

Choice of answers	Share %	Respondents
No other employees	27%	311
1-4 employees	31%	364
5-9 employees	19%	216
10-19 employees	11%	130
20-49 employees	9%	100
More than 50 employees	3%	37

5.2.7. Activity in Network

The question was asked if the respondent is active member of a formal network, 1158 answers. Over 50% of out participants were not active network members. They did not participate in any further questions of the questionnaire. To define an active member might be difficult, but in this case one could say that the non-active members are just registered in the network but do not participate in activities. The difficulty with the active members is how active the members actually are, which we do not have answers to and this could also vary from the managers own perception of activity.

Table 5.7. Active network member

Choice of answer	Share %	Respondents
Yes	46%	535
No	54%	623

5.2.8 Turnover

The participant was asked if the membership of a formal business network contributed to the increased turnover of the respondents company. Responses of this question were 527. This outcome will not be included in further statistical measurements due to it is a control variable therefore it is shown with general statistics. Concluded from the result, most managers believe the network has contributed to an increased turnover for their companies.

Table 5.8. Increased turnover

Choice of answer	Share %	Responses
1 Strongly agree	20%	103
2 Agree	22%	117
3 Nor agree or disagree	22%	114
4 Disagree	13%	66
5 Strongly disagree	19%	99
Do not know	5%	28

5.2.9 Tenure international degree

To what degree the respondents firm is international was asked. This question was as well asked to the inactive formal business network and the total responses were 1149. More than half of the small size firms in this survey were not international active at all, a total of 716 were in this category. Most of the firms were exporting, followed by having foreign alliances. Most small firms export due to capacity.

Table 5.9 International degree.

Choice of answer	Share %	Responses
None at all	62%	716
Export	27%	306
Foreign direct investment	2%	28
Joint venture	3%	34
Foreign alliances	12%	134
Licensing	2%	28

5.2.10 Competitive firm

A question was asked if the small firm manager perceived that the participation made the respondents company more competitive, which could be interpreted as all outcomes affect the company either positive or negative, and therefore this question is more of a control variable to see if it is in general a positive thing to enter a business network. There were 527 responses on this question and the result was more agreed than disagreed. This question was also excluded from further statistical measurements.

Table 5.10 competitive firm

Choice of answer	Share %	Responses
1 Strongly agree	18%	95
2 Agree	23%	123
3 Nor agree or disagree	27%	140
4 Disagree	10%	55
5 Strongly disagree	14%	73
Do not know	8%	41

5.2.11 Recruitment

Out of 527 answers on the question whether the respondent found employees through the formal business network, the majority disagreed to this question. Since 16% agreed to have found employees in the network the option to find employees is available in the network. A reason why many firms did not find employees through the network may be that they are not looking for more staff since they are of such small size and already possess all necessary resources.

Table 5.11 Recruitment

Choice of answer	Share %	Responses
1 Strongly agree	10%	52
2 Agree	6%	30
3 Nor agree or disagree	12%	65
4 Disagree	6%	32
5 Strongly disagree	58%	304
Do not know	8%	

5.2.12 Consultancy

Out of 527 answers on the question if the respondent found consultancy in different areas as a result of participating in the formal business network, the majority agreed to that they had. This question is general because it does not point out what kind of consultancy has been achieved. The respondent may also see it from different angles; consultancy may be anything from general knowledge, answer to a question or even consultancy in form of a person helping out in the firm.

Table 5.12. Consultancy

Choice of answer	Share %	Responses
1 Strongly agree	29%	153
2 Agree	21%	112
3 Nor agree or disagree	27%	142
4 Disagree	10%	54
5 Strongly disagree	11%	56
Do not know	2%	10

5.2.13. Knowledge

Out of 527 answers to the question whether the manager has gained knowledge from other members in the formal business network, most agreed to that they had. Knowledge is probably the most general question in this study since knowledge is a very wide area and anything can be interpreted as knowledge.

Table 5.13. Knowledge

Choice of answer	Share %	Responses
1 Strongly agree	43%	226
2 Agree	30%	156
3 Nor agree or disagree	17%	89
4 Disagree	5%	25
5 Strongly disagree	5%	24
Do not know	1%	7

5.2.14 Foreign co-operation

Out of 527 answers on the question whether the participation in the business network has contributed to that the manager has found foreign co-operation the answered showed that the majority did not. Maybe it could be that the network does not focus on helping their members to find foreign co-operation or it could be that the small firms do not have intention to expand.

Table 5.14. Foreign co-operation

Choice of answer	Share %	Responses
1 Strongly agree	9%	45
2 Agree	8%	43
3 Nor agree or disagree	9%	45
4 Disagree	6%	33
5 Strongly disagree	61%	321
Do not know	8%	40

5.2.15 Knowledge about international markets

Out of 527 answers on the question whether they received knowledge about international markets as a result of the business network participation, more managers disagreed than agreed. 26% did not state whether they agreed or disagreed or answered do not know. As the result if the managers found foreign co-operation where most managers disagreed, the managers also disagreed that they have receive knowledge about international markets. This might indicate that the business network does not focus on internationalisation.

Table 5.15. Knowledge international markets

Choice of answer	Share %	Responses
1 Strongly agree	9%	50
2 Agree	12%	63
3 Nor agree or disagree	18%	95
4 Disagree	15%	77
5 Strongly disagree	38%	200
Do not know	8%	42

5.2.16 Improved company's position on the market

Out of 527 answers on the question if the managers firm improved their company's position on the market as a result of participating in the business network, 48% agreed. This result is nearly the same as if the firm has become more competitive where 41% of the managers agreed.

Table 5.16 Position on the market

Choice of answer	Share %	Responses
1 Strongly agree	20%	106
2 Agree	28%	145
3 Nor agree or disagree	23%	121
4 Disagree	12%	62
5 Strongly disagree	13%	68
Do not know	5%	25

5.2.17 Conclusion of informative descriptive statistics

In the informative descriptive statistic part, the result from the questionnaire has shown what the responses were, if the respondent agreed or disagreed and to what extent they agreed. Further analyse of the data will show the result from different angles.

5.3 Pearson's product moment correlation coefficient test

When having a large sample size, like in this case, Pearson's product moment correlation coefficient test (PMCC) is preferred. PMCC is a test to assess the strength of a relationship between two variables that contain quantifiable data. The output of making this test is called the correlation matrix and shows the statistical significant. Statistic significance indicates that there is a difference in the population from which the sample is drawn. Making this test one looks at the correlation coefficient that indicates a number representing the strength of a correlation. If the probability is greater than 0.05 the relationship is not statistically significant. This test is relevant to see if there is a difference between the different managerial demographic characteristics and what they answered, and then one can with statistical significance claim that different managerial demographic characteristics affect what they perceive of outcomes from the network.

5.3.1 Correlation between total years of experience and perceived outcomes

In *table 5.17* the relationship between total years of work experience of the small firm manager in the formal network and the perceived outcomes; found employees, consultancy, knowledge, knowledge of international markets, foreign co-operation and improved their firms position is measured. We found no statistical significance between total years of experience and the perceived outcomes when making the PMCC test which can be read in following table after Sig. (2-tailed) where no probability is greater than 0.05 meaning it is not significant. N measures number of answers, and they do differ since the answer option *do not know* was taken away.

Table 5.17. Correlation between total years of experience and perceived outcomes

		Total_years_ Work experience
Total_years_experie nce	Pearson Correlation	1
	Sig. (2-tailed)	.
	N	1133
Found_employees	Pearson Correlation	-,012
	Sig. (2-tailed)	,783
	N	527
Consultancy	Pearson Correlation	,011
	Sig. (2-tailed)	,803
	N	517
Knowledge	Pearson Correlation	,007
	Sig. (2-tailed)	,866
	N	520
Knowledge_internation al_markets	Pearson Correlation	-,077
	Sig. (2-tailed)	,091
	N	485
Foreign_co-operation	Pearson Correlation	-,048
	Sig. (2-tailed)	,286
	N	487
Improved_postion	Pearson Correlation	-,003
	Sig. (2-tailed)	,945
	N	502

5.3.2 Correlation between education and perceived outcomes

In *Table 5.18* the relationship between education of the small firm manager and the perceived outcomes were measured by PMCC test. Here as well we found no statistical significance between education and the perceived outcomes when making the PMCC test which can be read in following table after Sig. (2-tailed) where no probability is greater than 0.05 meaning it is not significant. N measures number of answers, and they do differ in total since the answer option *do not know* was taken away.

Table 5.18. PMCC test, Total years of education and outcomes

		Education
Education	Pearson Correlation	1
	Sig. (2-tailed)	.
	N	1134
Found_employees	Pearson Correlation	,059
	Sig. (2-tailed)	,175
	N	527
Consultancy	Pearson Correlation	,051
	Sig. (2-tailed)	,248
	N	517
Knowledge	Pearson Correlation	-,006
	Sig. (2-tailed)	,894
	N	520
Foreign co-operation	Pearson Correlation	,008
	Sig. (2-tailed)	,854
	N	487
Knowledge about _international markets	Pearson Correlation	-,012
	Sig. (2-tailed)	,795
	N	485
Improved position	Pearson Correlation	,034
	Sig. (2-tailed)	,448
	N	502

5.3.3 Correlation between age and perceived outcomes

In *table 5.19* we measured if age differences of the small firm manager and the perceived outcomes were statistically significant. Our findings were that there was one significant relationship between age and knowledge of international markets. One can

see that the value in significance (2-tailed) 0.035 in Table 5.3.3 in the knowledge international post which is 0.035. It is statistically significant since the significant value $0.035 < 0.05$. This means that there is a difference between age of the managers and their answers whether they have as a result of their participation in the business network received more knowledge about international markets. The test does unfortunately not say how the difference is. For the rest outcomes there was no significance which can be read in following table after Sig. (2-tailed) where no probability is greater than 0.05 meaning it is not significant. N measures number of answers, and they do differ since the answer option *do not know* was taken away.

Table 5.19. PMCC test, Total age and outcomes

		Age
Age	Pearson Correlation	1
	Sig. (2-tailed)	.
	N	1134
Found employees	Pearson Correlation	,008
	Sig. (2-tailed)	,848
	N	527
Consultancy	Pearson Correlation	,009
	Sig. (2-tailed)	,830
	N	517
Knowledge	Pearson Correlation	-,008
	Sig. (2-tailed)	,856
	N	520
Foreign co-operation	Pearson Correlation	-,065
	Sig. (2-tailed)	,150
	N	487
Knowledge about _international markets	Pearson Correlation	-,096(*)
	Sig. (2-tailed)	,035
	N	485
Improved position	Pearson Correlation	-,025
	Sig. (2-tailed)	,572

5.4.1 Degree of perception on outcome in every education group ranked in relation to mean value

Table 5.20 Perception degree, education groups of manager

Education	Knowledge about the international market	Recruitment	Consultancy	Knowledge	Foreign_cooperation	Improved position on the market
Primary school	5	4	1	2	6	3
High school 2 years	5	6	3	1	4	2
High school	4	5	3	1	6	2
Trade school	4	6	3	2	5	1
University/College 2 years	4	6	1	2	5	3
University/College 3 years	3	6	1	2	5	3
University/College 3-4 years	4	6	1	2	5	3

Table 5.20. show the most frequent tendency in each education group of the respondent to agree to a certain outcome from the network ranked from number one to six where number one is mostly agreed to perceived outcome. These outcomes are that the respondents perceived to gain knowledge about international markets, recruit employees, get consultancy, gain knowledge, created foreign co-operation and improved their companies' position on the market.

When mean value is difficult to interpret due to similar or the exact same value in two outcomes, we looked at the standard deviation to measure how much the educational group in total agreed on their perceptions to the outcomes. Educational Group *Primarily School* was extracted from the ranking due to a low frequency of respondents that made measuring standard deviation difficult.

All the educational groups had a tendency to mostly agree to have found knowledge and consultancy meaning that they mostly perceived to gain this from the business network. In the higher educational levels of the category University/College the

highest tendency was to perceive consultancy which is in the category of resources as an outcome of a network. Following managers of higher level of education mostly agreed to have found knowledge and improved their companies' position. Over all the mean values indicated that the ranking of the respondents most agreed upon in the higher educational groups was the exact same independent on how many years the managers has studied at University/College.

Among managers who have not studied at the University or college the tendencies varied a bit dependent on the type of education the manager has obtained. Managers who only studied primarily school had a tendency to agree that they found consultancy followed by knowledge then improved their companies' position. Managers with high school education mostly agreed to have found knowledge followed by consultancy then improved their companies' position. Managers with trade school education mostly agreed to have improved their companies position then gained knowledge followed by gained consultancy.

Managers who did not have university/college education did not rank consultancy as high as managers with university/college education. Since it is hard to define how they interpreted consultancy or for the reason that we do not know what kind of consultancy the managers have perceived as a benefit from the network it is hard to say the reason for this result to vary between the education groups. But if one thinks that consultancy in general may be another person in the network who has given any expert help to the other manager, they maybe the manager with education does not need consultancy as much as the manager without university education for the reason of the already skills learnt at the university/college. Consultancy may also be a form of skills needed at the firm, for example book keeping which the manager who have studied business maybe already have the skills for.

On contrary knowledge was higher ranked as a perceived benefit among managers without university/college education, as the discussion above, knowledge maybe is not as highly perceived as a benefit among more educated managers for the reason that they might have got the knowledge needed in their education.

As a conclusion all managers no matter what educational level they posses mostly agree to have perceived knowledge, consultancy and improved their companies

position as a result of their participation of the formal business network. What was least agreed upon to have gained from the formal business network was employees and foreign co-operation.

5.4.2 Degree of perception on outcomes in every experience group ranked in relation to mean value.

Table 5.21 Perception degree, experience groups of manager

Experience	Knowledge of international markets	Recruitment	Consultancy	Knowledge	Foreign cooperation	Improved position on the market
6-10 years	4	6	3	1	5	2
11-15 years	4	6	1	2	5	3
16-20 years	4	5	2	1	6	3
21-25 years	4	5	2	1	6	3
26-30 years	4	5	3	1	6	2
30 years or longer	4	6	2	1	5	3

Table 5.21 show the most frequent tendency in each experience group of the respondent to agree to a certain outcome from the network ranked from number one to six where number one is mostly agreed perceived outcome. The experience groups are categorized into 7 categories, less than 5 years, 6-10 years, 11-15 years, 16-20 years, 21-25 years, 26-30 years, and more than 30 years of work experience. Experience group of less then five years was extracted from the ranking due to a low frequency of respondents that made measuring standard difficult deviation.

When mean value is difficult to interpret due to similar or the exact same value in two outcomes, we looked at the standard deviation to measure how much the experience group in total agreed on their perceptions to the outcomes.

In every experience group there was a high tendency to perceive to find knowledge as an outcome of participating in formal business networks except managers with 11-15 years of experience who had most perception of gaining consultancy as a result of

participating in formal networks. Managers with more than 21 years of work experience perceived after knowledge to mostly agree of gaining consultancy followed by improving their companies' position. Managers with less than 20 years of experience, after knowledge, mostly agreed of improving their companies' position on the market then gaining consultancy.

5.4.3 Degree of importance of outcome in every age group ranked in relation to mean value.

Table 5.22 perception degree, age group of managers

Age	Knowledge of international markets	Recruitment	Consultancy	Knowledge	Foreign cooperation	Improved position on the market
26-30	5	4	2	3	6	1
31-35	4	5	2	1	6	3
36-40	4	5	2	1	6	3
45-50	4	5	2	1	6	3
51-55	4	6	3	1	5	2
60 and above	4	6	3	1	5	3

In *table 5.22*, one can see the most frequent tendency in each experience group of the respondent to agree to a certain outcome from the network ranked from number one to six where number one is mostly agreed perceived outcome. In the table above we can see the most frequent tendency in each age group to choose a certain perceived outcome. Age groups were categorized into a difference of 5 years. Age group younger than 26 years old was extracted from the ranking due to a low frequency of respondents that made measuring standard deviation difficult.

Common to all the age groups was that they had a tendency to agree to have found knowledge as a result of the participation in the network. An exception is managers less than 30 years who most agrees to have improved their companies' position. Benefit from gaining consultancy came after knowledge, for managers up to 50 years

of age and improved their companies' position on third place. For managers above 50 years of age, after knowledge, they agreed to have improved their companies' position on the market followed by consultancy.

As conclusion managers within different age groups found that knowledge, consultancy and improving their companies position on the market ad the three most perceived benefits.

5.5 Analysis

In the section above managers have ranked the different measurement of our dependent variables: resources, knowledge, co-operation and internationalization. From the empirical findings we have interpreted the data and created the models shown below. To identify clusters of raking in different demographical groups we grouped the managers into following order:

- More educated managers are managers in the educational groups that have went to University or College.
- Less educated managers are managers in the educational group that have obtained primary school, high school and up to Trade school.
- Older managers are managers in the age group of 45 years or older.
- Younger managers are managers in the age group of 26 years up to 45 years old.
- More experienced managers are in the experience group 20 years of work experience or more.
- Less experienced managers are in the experience group 6 years to 20 years.

For further clarification in this study the variable resources was divided into consultancy and recruitment.

5.5.1 Education

Model 5.23. Actual perception degree, more educated education (College/University) groups of manager

Rank	Perceived outcomes
1	Consultancy (Resources)
2	Knowledge
3	Co operations
4	Internationalization
5	Finding human resource (Resources)

Model 5.24 Actual perception degree, less educated education groups of manager

Rank	Perceived outcomes
1	Knowledge
2	Co operations
3	Consultancy (Resources)
4	Internationalization
5	Finding human resource (Resources)

The actual perception models of the education groups, show that independent of group-belonging the manager will always have more tendencies to perceive knowledge, co-operations and consultancy as outcomes of their participation in formal business network. Knowledge, consultancy, expertise and Co-operation are important competitive advantages for small firms' survival and since the members of the formal business network *Företagarna* are small firm managers then the focus on this formal business network might be based on providing these outcomes to managers that participate in their network.

The lowest ranked outcomes are internationalization and recruitment. Outcomes as resources and internationalization are also identified as competitive advantages for firms (Johnson, Scholes & Whittington, 2005; Axelsson & Eaton, 1992). Theory state that small firms are better at internationalization though contacts networks. On the other

hand smaller firms may lack knowledge to internationalise since they are resource-constrained (Bell & Loane, 2006). Since resources are a general concept one could interpret that the manager does not find the right kind of resources in the network that could assist his firms in its internationalization process. Human resources attained, was the least perceived outcome among managers in their participation in the formal network. Again this can be influenced by the focus of the business network. Today managers can use very efficient recruitment firms to find the right human resources even if theory indicates that small firms can mobilize their resources in the formal business network to reach strategic goals and conduct actions (Kingsley & Malecki, 2002).

The models above show that more educated managers mostly perceive to gain consultancy (resources) throughout the formal business network while less educated managers mostly perceive to gain knowledge as an outcome of formal networks participation. This could be interpreted as more educated managers have a good base of knowledge through their own education and seek more advanced expertise such as IT or accounting consultancy that is not obtained through their own education. Less educated managers might seek information about their business that they not have due to smaller amount of learning before starting up the firm. Both higher and lower educated managers had a tendency to perceive co-operations and knowledge more than internationalization and requirement as outcomes of their participation in formal business networks. Higher educated managers had more tendencies to perceive knowledge before co-operations while for lower educated managers the tendency to rank co-operations was higher. Educated managers are more knowledgeable which mean they find information easier according to Analoui, Kakabadse & Karami (2005). However as mentioned before they may lack certain expertise which they can gain through consulting others and gain knowledge. Therefore their perception of gaining knowledge and consultancy should be higher while less educated manager could be more focused building up relationships through the networks that could aid the manager in his strategic actions within his firms and according to Burns (2001) theory on managers influence on small firms. As summary of this model we can state that managers dependent of education perceive different levels of knowledge as educated had more perception of expertises and knowledge and less educated where more focused on general knowledge and co-operations.

5.5.2 Age

Model 5.1 Actual pattern model, older managers, age 45+

Rank	Perceived outcomes
1	Knowledge
2	Co operations
3	Consultancy (Resources)
4	Internationalization
5	Finding human resource (Resources)

Model 5.2 Actual pattern model, Young managers age 26-45

Rank	Perceived outcomes
1	Knowledge
2	Consultancy (Resources)
3	Co operations
4	Internationalization
5	Finding human resource (Resources)

The actual perception models show that independent of the age, managers have higher tendency to perceive gaining knowledge, co-operations and consultancy as an outcomes of their network participation. As mentioned knowledge, consultancy or expertise and co-operation are important competitive advantages for small firms and therefore one could assume that the focus of the formal network it selves could lay on providing its members with knowledge, consultancy and co-operations and therefore it is a general perception among formal business network members to perceive these outcomes of their participation. According to Analoui, Kakabadse & Karami (2005), younger managers are willing to take risks, are more flexible, willing to accept changes and better at developing long term strategic goals for a company. Therefore the younger manager should have more interest in internationalization opportunities for his company.

However our findings show that independent of age managers have low tendency to perceives internationalization and recruitment as outcomes of network participation. Since it is clear that the demographical characteristic of the manager does not influence his perception at all when it comes to his lower rankings of outcomes then one could conclude that the influence must come from another variable. We have mentioned before that theory states that small firms benefit of internationalization through contact networks but lack resources and according to the resource mobilization model firms in networks share resources that can aid the small firms in reaching its strategic goals (Kingsley & Malecki, 2002). Although empirical findings have shown that different resources can be perceived in various ways of the managers as for example consultancy (resource) was highly perceived by managers and the perception of recruitment (human resources) was very low which can indicate that the concept of resources is very general. And so the previous interpretation which stated that the manager could not find the right kind resources to aid his firms' internationalization process, as a result of his participation in the formal network, could also explain this groups tendency.

The manager's tendencies differ a bit when it comes to perceiving consultancy and co-operations. Analoui, Kakabadse & Karami (2005) has stated younger managers to be more willing to take risks, be more flexible, willing to accept changes and better at developing long term strategy which indicated a certain interest in strategic co-operations. The interpreted findings show that younger managers have higher tendency to perceive consultancy as outcome of their participation in formal business networks than co-operations. This could be explained with another indication in the theory that claims younger managers to be more educated and therefore the tendency to search of expertises which the younger managers has not obtained in his own education should be similar to more educated managers since they could according to the theory be the one and same person. The actual perception model shows that older managers on the other hand have higher tendency to rank co-operations as outcome of formal business participation than consultancy. Older managers have better industry knowledge and more managerial work experience which result in better product knowledge and more expertise which leads to senior managers to put more weight on formal strategy development (Analoui, Kakabadse & Karami, 2005). This could be interpreted as older managers already have possession of the kind of expertise that they need and therefore focus more on taking advantage of the strategic relationship they have build up in the

formal business network and enter co-operations with these actors. The summary of this model is as followed: knowledge, consultancy and co-operations always tend to be ranked highly of the managers independent of age. Dependent on age managers perceive less or more of co-operations, consultancy. Internationalization and recruitment is always less perceived by the manager as outcome of their participation in formal business network independent of age.

5.5.3 Experience

Model 5.3. Actual pattern model, more experience (21 years+)

Rank	Perceived outcomes
1	Knowledge
2	Consultancy (Resources)
3	Co operations
4	Internationalization
5	Finding human resource (Resources)

Model 5.4 Actual pattern model, less experience (6-21 years)

Rank	Perceived outcomes
1	Knowledge
2	Consultancy (Resources)
3	Co operations
4	Internationalization
5	Finding human resource (Resources)

Actual pattern models above show following: independent of work experience the managers have, there is same tendency to perceive certain outcomes more than others. Theory has indicated that managers of different demographical characteristics have varied focus, dependent on the managers' age, education and experience (Analoui, Kakabadse & Karami, 2005). There could be several aspects of the interpretation of the empirical findings. One is that work experience is a general concept and even if the manager has worked for many years or not, his experience in the current business might be low or high, independent on his total work experience. Another aspect to the tendencies of the managers in this group is that independent of experience, the manager can be of different age and education. Therefore these demographically characteristics could perhaps influence the manager's perceptions more than the managers work experience.

Therefore the tendencies of experienced managers could be difficult to identify since the variable work experience is inconsistent with what this study actually intends to measure, which is how managers with experience of business and managers with less experience in business differ in their perceptions of outcomes of their formal networks participation. A third aspect is that manager's perception of the outcomes in their participation is influenced by other factors more than their managerial demographic characteristics. In this study it has be shown that all managers independent of demographics profile have tendencies to rank certain outcomes higher than others. The analysis has highlighted the theoretical importance of the highly ranked outcomes like knowledge, consultancy, expertise and co-operation. Also small firms strategic ability and also some discussion why the ranking of internationalization and recruitment always independent of demographic characteristics with the manager was ranked low. The conclusion so far has been that the theoretical framework of resources and business networks resources mobilization model was to general to identify the right kind of resources needed for firms' internationalization processes and therefore the findings could not support the assumptions based on theory. Other aspects provided by the theoretical framework are that members of networks are inter-dependent and this is an outcome of investment in co-operations, knowledge. All change within the network must for example be accepted by majority of members in the network. Therefore a critique of the network structure is the association that is sometimes static even if members with time add new influences (Axelsson & Eaton, 1992). Therefore certain

demographic groups primarily interests might not be highly prioritized by the formal business network. If this demographic group is small they would not be able to position them selves strong enough in the network this association to reach this particular groups strategic goal according to Håkansson & Johansson (1986) theory of strategic relationships. This concludes that all members in a formal business network are provided with the same kind of competitive advantages for small firms and therefore the perception of outcomes in formal business networks participation is independent of characteristics. Summary of this model is as followed: The manager's demographic characteristic experience does not influence his perceptions of outcomes in his participation in formal network participation. Other influences such as small firms' specific needs and interactions with in the formal network are interpreted as possible explanations.

5.5.6 Conclusion of actual perception models.

Independent of the manager's demographics characteristics, outcomes such as knowledge, consultancy and co-operations are always highly perceived. Some tendencies varied among the higher perceptions dependent on demographics characteristics of managers. The outcomes internationalization and recruitment were independent of the manager's demographics characteristics always less perceived as outcomes of network participation. Varied explanations are given in the analysis both with the theoretical background of managers, networks and the different outcomes. The analysis also provides with our own interpretations and discussions.

5.6 Test the theoretical model

In this section we compare the perceived ranking in our models with our findings that are presented in actual pattern models.

5.6.1 Education

Model 5.5. Perceived pattern model, educated managers

Rank of older managers	Perceived outcomes
1	Knowledge
2	Internationalization
3	Co operations
4	Resources

Model 5.6. Actual Perception degree, more educated (College/University) groups of manager

Rank	Perceived outcomes
1	Consultancy (Resources)
2	Knowledge
3	Co operations
4	Internationalization
5	Finding human resource (Resources)

Our theoretical assumption models for more educated managers to some extent are accepted by the interpreted findings. The perception of knowledge was high among the more educated managers but the highest tendency among the managers in this group was to perceive consultancy (Resource) as an outcome of formal network participation. In theoretical model we assume educated managers to have high perception of internationalization of their firms as a result of formal network participation. The actual

perception model rejected this. The assumed ranking of co-operation was cohesive with our interpreted findings.

5.6.2 Age

Model 5.7 Perceived pattern model, older managers.

Rank of older managers	Perceived outcomes
1	Knowledge
2	Resources
3	Internationalization
4	Co-operation

Model 5.8 Actual pattern model, older managers, age 45+

Rank	Perceived outcomes
1	Knowledge
2	Co operations
3	Consultancy (Resources)
4	Internationalization
5	Finding human resource (Resources)

Our theoretical model was partly accepted since it suggested older managers to mostly perceive knowledge as an outcome of their formal network participation. The ranking of internationalization in the theoretical model was also accepted in the light of the interpreted empirical findings. The degree of managers' perception of resources was not accepted since older managers in the actual perception model perceived co-operations more than consultancy which is a form of resource.

Model 5.9 Perceived pattern model, Younger managers

Rank of younger managers	Perceived outcomes
1	Knowledge
2	Co operations
3	Internationalization
4	Resources

Model 5.10 Actual pattern model, Young managers age 26-45

Rank	Perceived outcomes
1	Knowledge
2	Consultancy (Resources)
3	Co operations
4	Internationalization
5	Finding human resource (Resources)

Our theoretical model was partly accepted since it suggested younger managers to mostly perceive knowledge as an outcome of their formal network participation. The ranking of internationalization in the theoretical model was also accepted in the light of the interpreted empirical findings. The degree of managers perception of resources was not accepted since younger managers in the actual perception model had a high tendency to perceive consultancy which is a form of resource where as in the theoretical model younger managers where assumed to have a low perception of resources. Also the perception of co-operations was less perceived than consultancy which is not in accordance to our assumed theoretical model.

5.6.3 Experience

Model 5.11 Pattern model, work experience and perceived outcomes

Rank of more experienced	Perceived outcomes
1	Knowledge
2	Resources
3	Internationalization
4	Co-operation

Model 5.12 Actual pattern model, more experience (21 years+)

Rank	Perceived outcomes
1	Knowledge
2	Consultancy (Resources)
3	Co operations
4	Internationalization
5	Finding human resource (Resources)

The actual perception model is more cohesive with our assumed perception model. The theoretical model stated managers with more work experience to perceive knowledge and resources as mostly perceived outcomes. This is consistent with the interpreted findings. However the actual perception model shows that more experience manager have higher perception of co-operations than assumed in our theoretical model. Internationalization was shown to be less perceived by the managers than assumed in this study.

5.6.4 Criticism of findings in perception degrees

Due to similarities in the findings of what managers mostly agree upon one may consider explanation to this. One higher educated manager may be of higher age and

also have more work experience, leading to similar tendencies no matter what managerial characteristic is measured. Another explanation provided in the analysis is that network theory today is too general when it comes to the outcomes for their participants. This made it complicated to measure outcomes such as resources for example. Therefore perception between two measurements of the same outcome was ranked differently.

5.7 Empirical limitations

Due to resource and time constraints every research has limitations. This dissertation has a certain frame with a focus on small size firms' managers who are members of a Swedish formal business network. Our dissertation had a focus on four selected outcomes of a formal business network such as knowledge, resources, co-operations and internationalisation. The managers of the small firm are members of *Företagarna*, one of Sweden's largest formal business networks with 55 000 members. Being provided by an online questionnaire by *Företagarna*, with access to their members e-mail database made that the survey conducted had no geographical restrictions. The survey is conducted in all regions of Sweden. Since not all members of *Företagarna* have accepted to participate in surveys, there is a restriction of members participating in the survey. Those are approximately 10 000 members out of the 55 000. Due to time limitations the response rate of our questionnaire is restricted.

Some questions asked in our survey were excluded, suggesting that there is a competitive advantage of firms to enter a formal network. This is difficult to claim so the limit was to stay consistent to the outcomes in our theoretical framework. The managerial characteristic, gender, was excluded due to no data only the percentage of the distribution. The question how long the membership was in a network was excluded due to a large sample and the question was answered in an open question, with difficulty to process due to high quantity.

5.8 Critique

Due to a high respondent rate of small firm manager with higher age, the statistical significance may not show the correct value. We can also assume that due to previous insight in previous theory, experience is related to higher age of the manager. Since we had data not equally spread through different age groups, we can assume that the high

level of education also is related to the manager in a higher age category and with more work experience. One could have looked at the distribution of ages in the formal network. One can also claim that due to our low response rate, 5 %, it may not be representative by the population.

With a 17 question survey and a large response of 1164 answers, a lot of research may have been done. One could ask more questions differently, for example questions were asked in a likert scale but could have been asked in a ranking scale, when doing a ranking description. One could also define the questions more describing the meaning of the different outcomes so that the interpretation varied less, for example did every one interpret knowledge the same? Mentioned in limitations one could have developed hypotheses, in the PMCC test the significant test indicated no significant correlation between demographical characteristics and the perceived outcomes of a formal business network. A pre-study might have indicated the most common benefits and then one could do a research on that instead of choosing certain ones.

6 Research conclusions

As conclusion of this dissertation, practical relevance, further research suggestions and a summary is presented below.

6.1. Conclusion

In conclusion of this study we state that managers' demographic characteristics influence their perception of outcomes of their participation in formal business networks to some extent dependent on the demographic characteristics.

Managers' perceptions varied dependent on the managers' age and on level of education. This tendency only occurred when it came to more highly perceived outcomes of formal networks participation such as knowledge, consultancy and co-operations. All managers in this independent of demographic character have low perception of internationalization and requirement as outcomes of their formal network participation. This could be explained by other influences than managers' demographic characters. The focus of the formal network it selves might not be on internationalization and human rescues requirement. Other explanations might be that the right kind of resources for small firms' internationalization is not provided by the network to its member. Also since today there are efficient requirement firms which specialize on human resources the formal network might not prioritize this outcome of their members' participation. Managers' total amount of experience did not influence their perceptions at all. Independent of experience, managers in this group perceived outcomes of participation in formal networks exactly the same. We interpreter experience with a general measurement so it is difficult to estimate neither how much actually current business the managers has or how the experience influences him which was the aim of the study.

Our theoretical models were partly accepted in the light of our interpreted empirical findings as we could show that some of the rankings in the actual perception models, of the different of demographic groups.

We found out that both of the least perceived benefits (internationalization opportunities and finding human resources) and the most perceived benefits (knowledge, resources and co-operation) from a formal business network could be used as a practical implication for existing formal business networks and for the creation of new business networks. For existing networks, they may with the help of this study look if there is a need to develop outcomes managers least to perceive to benefit from. New networks may also be created with a focus of outcomes of participation that the existing networks do not provide for their members. For example there are great opportunities for small firms to expand their practices due to less trade barriers nowadays which may lead to a need of a formal business networks that focus on this area.

6.2. Practical relevance

This study is relevant for small size manager for the reason that one can by participating in a formal business network, develop the company by expanding overseas, find staff, create alliances, increase the companies position, become more competitive, increase knowledge in general and about new markets from the participation. It may be an access to information of this kind, maybe difficult to access otherwise.

Formal business networks may be relevant for small businesses when developing new strategies of different kind in a way that they might from joining a business network get information from experience managers and gain consultancy or learn from other manager's experiences that could lead to a good direction for companies. For example new companies might not have experience how to run companies successful, knowledge within a formal business network might come in hand.

Building alliances is said to be more competitive than competing against each other. Therefore companies should try to seek important co-operations that may be found within a formal business network. Just in general, to mention that nearly 55000 business managers/owners are members within one formal business network as Företagarna. For that reason the studying formal business networks is a relevant topic.

6.3. Further research

One might look at numerous aspects from both studying small size firm managers and formal business network. These both areas are of great importance, since the importance of small firms in the market has been highlighted and for the reason many benefits from entering formal business has been claimed. One might look at both formal and social benefits from networking.

The findings of this study have implied that more research need to be made on specifying the kind of resources firms can gain when entering a formal business network that practice the resources mobilization strategy. Otherwise it is difficult for managers to evaluate the strategic value of his participation in networks in perspective of his firms.

For further research one can also see in what order the greatest benefits from entering a formal business networks are but also what the disadvantages are. This may be relevant for members but also for the development of networks in a way for business networks to improve. Then maybe with doing a qualitative research instead of quantitative research like in our case for the reason one can get a deeper understood opinion from members.

Another suggestion is to look at small firm and their international developments and what specific resources are needed for success on the international market. The European Union has nowadays made it easier for companies to expand to new markets.

6.4 Practical implication

Out findings have showed that even though theory has suggested what the small firms are good at and are in need of internationalization though contact networks the managers them selves do not perceive to aid their firms internationalization by participation in formal business networks. Therefore the practical implication would be to advise formal business networks to focus more on providing its members with more resources for internationalization.

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Appendix 1 Frågeformulär Svenska

Fråga 1.

Är du...?

- Man
- Kvinna

Fråga 2.

Din ålder?

- Yngre än 26 år
- 26-30 år
- 31-35 år
- 36-40 år
- 41-45 år
- 46-50 år
- 51-55 år
- 56-60 år
- Äldre än 60 år

Fråga 3.

Vilken typ av utbildning har du?

- Grundskola
- Folkskola
- Realexamen
- Gymnasieskola
- Yrkesinriktad utbildning
- Eftergymnasial utbildning (upp till 3 år)
- Eftergymnasial utbildning (3-4 år)
- Eftergymnasial utbildning (5 år eller längre)

Fråga 4.

Hur många år har du arbetat i din nuvarande position?

- 1-3 år
- 4-6 år
- 7-9 år
- 10-12 år
- 13-15 år
- Längre än 15 år

Fråga 5.

Hur många år har du arbetat totalt (inklusive tidigare arbetsplatser)?

- 1-5 år

- 6-10 år
- 11-15 år
- 16-20 år
- 21-25 år
- 26-30 år
- Längre än 30 år

Fråga 6

Hur många anställda finns i ditt företag?

- Jag är soloföretagare (inga anställda)
- 1-4 anställda
- 5-9 anställda
- 10-19 anställda
- 20-49 anställda
- Fler än 50 anställda

Fråga 7.

Är du medlem i något affärsnätverk?

(Med medlemskap i affärsnätverk avses aktivt deltagande i möten med nuvarande och/eller framtida affärskontakter.)

- Ja
- Nej

Fråga 8.

I följande fråga vill vi att du försöker uppskatta hur väl nedanstående påståenden stämmer, där 1 betyder att det stämmer helt och 5 att det inte stämmer alls. Ditt medlemskap i affärsnätverket har bidragit till följande....?

Jag har hittat personal

- 1 Stämmer helt
- 2 Stämmer
- 3 Varken stämmer eller stämmer inte
- 4 Stämmer inte
- 5 Stämmer inte alls
- 6 Vet ej

Fråga 9.

I följande fråga vill vi att du försöker uppskatta hur väl nedanstående påståenden stämmer, där 1 betyder att det stämmer helt och 5 att det inte stämmer alls. Ditt medlemskap i affärsnätverket har bidragit till följande....?

Jag har fått konsultering inom olika områden

- 1 Stämmer helt

- 2 Stämmer
- 3 Varken stämmer eller stämmer inte
- 4 Stämmer inte
- 5 Stämmer inte alls
- 6 Vet ej

Fråga 10.

I följande fråga vill vi att du försöker uppskatta hur väl nedanstående påståenden stämmer, där 1 betyder att det stämmer helt och 5 att det inte stämmer alls.
Ditt medlemskap i affärsnätverket har bidragit till följande....?

Jag har fått kunskap från andra medlemmar i nätverket

- 1 Stämmer helt
- 2 Stämmer
- 3 Varken stämmer eller stämmer inte
- 4 Stämmer inte
- 5 Stämmer inte alls
- 6 Vet ej

Fråga 11.

I följande fråga vill vi att du försöker uppskatta hur väl nedanstående påståenden stämmer, där 1 betyder att det stämmer helt och 5 att det inte stämmer alls.
Ditt medlemskap i affärsnätverket har bidragit till följande....?

Mitt företag har blivit mer konkurrenskraftigt

- 1 Stämmer helt
- 2 Stämmer
- 3 Varken stämmer eller stämmer inte
- 4 Stämmer inte
- 5 Stämmer inte alls
- 6 Vet ej

Fråga 12.

I följande fråga vill vi att du försöker uppskatta hur väl nedanstående påståenden stämmer, där 1 betyder att det stämmer helt och 5 att det inte stämmer alls.
Ditt medlemskap i affärsnätverket har bidragit till följande....?

Jag har hittat utländska samarbetspartners

- 1 Stämmer helt
- 2 Stämmer
- 3 Varken stämmer eller stämmer inte
- 4 Stämmer inte
- 5 Stämmer inte alls
- 6 Vet ej

Fråga 12

I följande fråga vill vi att du försöker uppskatta hur väl nedanstående påståenden stämmer, där 1 betyder att det stämmer helt och 5 att det inte stämmer alls. Ditt medlemskap i affärsnätverket har bidragit till följande....?

Jag har fått ökad förståelse om den internationella marknaden

- 1 Stämmer helt
- 2 Stämmer
- 3 Varken stämmer eller stämmer inte
- 4 Stämmer inte
- 5 Stämmer inte alls
- 6 Vet ej

Fråga 13

I följande fråga vill vi att du försöker uppskatta hur väl nedanstående påståenden stämmer, där 1 betyder att det stämmer helt och 5 att det inte stämmer alls. Ditt medlemskap i affärsnätverket har bidragit till följande....?

Jag har förbättrat mitt företags position på marknaden

- 1 Stämmer helt
- 2 Stämmer
- 3 Varken stämmer eller stämmer inte
- 4 Stämmer inte
- 5 Stämmer inte alls
- 6 Vet ej

Fråga 14

I följande fråga vill vi att du försöker uppskatta hur väl nedanstående påståenden stämmer, där 1 betyder att det stämmer helt och 5 att det inte stämmer alls. Ditt medlemskap i affärsnätverket har bidragit till följande....?

Mitt företags omsättning har ökat

- 1 Stämmer helt
- 2 Stämmer
- 3 Varken stämmer eller stämmer inte
- 4 Stämmer inte
- 5 Stämmer inte alls
- 6 Vet ej

Fråga 15.

Till vilken grad är ditt företag internationellt?

(Flera svarsalternativ möjliga)

- Inte alls
- Exporterar
- Direktinvestering i annat land
- Joint venture
- Allianser med utländska bolag
- Licensiering

Questionnaire in English

Question 1.

Are you...?

- Male
- Female

Question 2.

What is your age?

- Younger than 26 years
- 26-30 years
- 31-35 years
- 36-40 years
- 41-45 years
- 46-50 years
- 51-55 years
- 56-60 years
- Older than 60 years

Question 3.

What is your highest finished education?

- Elementary school
- Elementary school (old definition)
- Highschool (2 years)
- High school
- Trade school
- University/college (up to 3 years)
- University/college (3-4 years)
- University/college (More than 5 years)

Question 4.

How many years have you been working in your current position?

- 1-3 years
- 4-6 years
- 7-9 years
- 10-12 years

- 13-15 years
- Longer than 15 years

Question 5.

Approximately for how many years have you been working in total?

(Including previous employment places)?

- 1-5 years
- 6-10 years
- 11-15 years
- 16-20 years
- 21-25 years
- 26-30 years
- Longer than 30 years

Question 6

How many employees are there in your current organisation?

- No employees (Just me)
- 1-4 employees
- 5-9 employees
- 10-19 employees
- 20-49 employees
- More than 50 employees

Question 7.

Are you a member of a business network?

(With membership of a business network it concerns active participation in meetings with current or future business alliances)

- Yes
- No

Question 8.

In the following question we would like you to estimate how well you agree to further statements, where 1 means that you strongly agree and 5 that you strongly disagree. Your membership in a business network had contributed to following....?

I have found employees

- 1 Strongly agree
- 2 Agree
- 3 Nor agree or disagree
- 4 Disagree
- 5 Strongly disagree
- 6 Do not know

Question 9.

In the following question we would like you to estimate how well you agree to further statements, where 1 means that you strongly agree and 5 that you strongly disagree. Your membership in a business network had contributed to following....?

I have got consultancy within different fields

- 1 Strongly agree
- 2 Agree
- 3 Nor agree or disagree
- 4 Disagree
- 5 Strongly disagree
- 6 Do not know

Question 10.

In the following question we would like you to estimate how well you agree to further statements, where 1 means that you strongly agree and 5 that you strongly disagree. Your membership in a business network had contributed to following....?

I have got knowledge from other members in the network

- 1 Strongly agree
- 2 Agree
- 3 Nor agree or disagree
- 4 Disagree
- 5 Strongly disagree
- 6 Do not know

Question 11.

In the following question we would like you to estimate how well you agree to further statements, where 1 means that you strongly agree and 5 that you strongly disagree. Your membership in a business network had contributed to following....?

My company has become more competitive

- 1 Strongly agree
- 2 Agree
- 3 Nor agree or disagree
- 4 Disagree
- 5 Strongly disagree
- 6 Do not know

Question 12.

In the following question we would like you to estimate how well you agree to further

I have found foreign co-operation

- 1 Strongly agree
- 2 Agree
- 3 Nor agree or disagree
- 4 Disagree
- 5 Strongly disagree
- 6 Do not know

Question 12

In the following question we would like you to estimate how well you agree to further statements, where 1 means that you strongly agree and 5 that you strongly disagree. Your membership in a business network had contributed to following....?

I have increased my knowledge about international markets

- 1 Strongly agree
- 2 Agree
- 3 Nor agree or disagree
- 4 Disagree
- 5 Strongly disagree
- 6 Do not know

Question 13

In the following question we would like you to estimate how well you agree to further statements, where 1 means that you strongly agree and 5 that you strongly disagree. Your membership in a business network had contributed to following....?

I have improved my company's position on the market

- 1 Strongly agree
- 2 Agree
- 3 Nor agree or disagree
- 4 Disagree
- 5 Strongly disagree
- 6 Do not know

Question 14

In the following question we would like you to estimate how well you agree to further statements, where 1 means that you strongly agree and 5 that you strongly disagree. Your membership in a business network had contributed to following....?

My company's turnover has increased

- 1 Strongly agree
- 2 Agree
- 3 Nor agree or disagree
- 4 Disagree
- 5 Strongly disagree
- 6 Do not know

Question 15.

To what extend is your company international?
(More than one answer option is accepted)

- Not at all
- Export
- Foreign direct investment
- Joint venture
- Alliances with foreign companies
- Licensing

Appendix 2 Mean value tables

Knowledge			Foreign_cooperation			Improved position on the market		
Mean	St.Dev	Meadian	Mean	St.Dev	Meadian	Mean	St.Dev	Meadian
2,5	2,18	2	4,04	1,665	5	3	1,384	3
1,69	0,873	1,65	3,01	1,39	4	2,6	1,404	2
1,84	0,949	2	4,27	1,254	5	2,75	1,2	3
2,29	2,29	2	3,98	1,405	5	2,34	1,315	2
1,88	2	1,055	4,13	1,359	5	2,67	1,297	3
1,96	1,03	2	3,97	1,499	5	2,58	1,22	2
2,05	1,231	2	4,18	1,317	5	2,99	1,427	3

Education Mean value

	1 Knowledge			2 Recruitment			Consultancy		
	Mean	St.Dev	Median	Mean	St.Dev	Meadian	Mean	St.Dev	Meadian
Primary school	3,87	1,424	5	3,77	1,608	5	2,77	1,423	3
Highschool 2 years	3,38	1,455	4	4,35	1,272	5	2,31	1,537	1,5
Highschool	3,75	1,274	4	4,15	1,445	5	2,42	1,194	2
Tradeschool	3,65	1,48	4	4,16	4,16	5	2,34	1,1	2
Univesity/College 2 years	3,62	1,401	4	4,31	1,424	5	2,58	1,317	3
Univesity/College 3 years	3,59	1,455	4	4,14	1,551	5	2,57	1,37	2
Univesity/College 3-4years	3,68	1,364	4	4,36	1,385	5	1,41	1,354	3

Degree of importance in outcome in every in every Education group ranked in relation to mean value

Education	Knowledge	Recruitment	Consultancy
Primary school	2	3	6
Highschool 2 years	2	1	6
Highschool	3	2	4
Tradeschool	3	1	4
Univesity/College 2 years	3	1	6
Univesity/College 2 years	3	1	6
Univesity/College 2 years	3	1	6

Knowledge	Foreign_cooperation	Improved position on the market
5	1	4
6	3	5
6	1	5
5	2	6
5	2	4
5	2	4
5	2	4

Experience and mean value

	1 Knowledge			2 Recrutiment			Consultancy		
	Mean	St.Dev	Median	Mean	St.Dev	Meadian	Mean	St.Dev	Meadian
6-10 years	3,67	0,577	4	4,75	1,291	5	3	0,816	3
11-15 years	3,94	1,389	4,5	4,25	1,483	5	2,06	0,929	2
16-20 years	3,72	1,173	4	4	1,504	5	2,64	1,44	2
21-25 years	3,82	1,415	4	4,14	1,483	5	2,5	1,405	2
26-30 years	3,87	1,248	4	4,17	1,465	5	2,55	1,263	3
30 years ore longer	3,55	1,435	4	4,21	1,479	5	2,51	1,309	2

Knowledge			Foreign_cooperation			Improved position on the market		
Mean	St.Dev	Meadian	Mean	St.Dev	Meadian	Mean	St.Dev	Meadian
2,5	0,577	2,5	4	1	4	2,67	1,528	3

2,19	1,047	2	4,19	1,377	5	2,63	1,408	2,5
1,56	0,801	1	4,25	1,073	5	2,59	1,448	2
2	1,124	2	4,27	1,328	5	2,79	1,235	3
1,99	1,021	2	4,21	1,366	5	2,7	1,303	2
1,98	1,14	2	4,05	1,432	5	2,67	1,307	2

Degree of importance in outcome in every in every experience group ranked in relation to mean value

Age	Knowledge	Recruitment	Consultancy
26-30	2	3	5
31-35	3	2	5
36-40	3	2	5
45-50	3	2	5
51-55	3	1	4
60 and above	3	1	4

Knowledge	Foreign_cooperation	Improved position on the market
6	2	5
5	2	4
6	1	4
6	1	4
6	1	5
6	2	4

Age Mean value

Age	1 Knowledge			2 Recruitment			Consultancy		
	Mean	St.Dev	Median	Mean	St.Dev	Median	Mean	St.Dev	Median
26-30	3,83	0,983	3,5	3,83	1,835	4	1,67	0,816	1,5
31-35	3,71	1,329	4	4,3	1,291	5	2,33	1,155	2
36-40	3,98	1,281	5	4,36	1,285	5	2,69	1,385	2
41-45	3,7	1,281	4	4	1,504	5	2,58	1,316	3
45-50	3,75	4	4	4,22	1,495	5	2,42	1,189	3
51-55	3,65	1,365	4	4,18	1,384	5	2,65	1,35	2
60+	3,42	2,289	4	4,26	1,546	5	2,45	1,354	2

Knowledge			Foreign_cooperation			Improved position on the market		
Mean	St.Dev	Median	Mean	St.Dev	Median	Mean	St.Dev	Median
1,83	1,169	1,5	4	1,6	4,06	1,17	0,408	1
2,07	1,143	2	4,24	1,215	5	2,79	1,32	3
1,98	0,972	2	4,44	1,144	5	2,95	1,208	3
1,92	1,13	2	4,19	1,415	5	2,65	1,26	2
2,02	1,13	2	4,05	1,405	5	2,75	1,338	2
1,87	0,992	2	4,13	1,359	5	2,73	1,352	3
2,01	1,204	2	3,98	1,513	5	2,57	1,295	2

Degree of importance in outcome in every in every age group ranked in relation to mean value

Age	Knowledge	Recruitment	Consultancy
26-30	2	3	5
31-35	3	2	5
36-40	3	2	5
45-50	3	2	5
51-55	3	1	4
60 and above	3	1	4

Knowledge	Foreign_cooperation	Improved position on the market
4	1	6
6	1	4
6	1	4
6	1	4
6	2	5
6	2	4