Core Benefits of Network Participation

Master Thesis

MM-MTH 5001

Ensieh Kheiri Pileh Roud

Buskerud and Vestfold University College

Faculty of Technology and Maritime Sciences

Vestfold, Norway

Acknowledgements

Two memorable years of education has culminated in writing this master thesis. During these two years I have been rewarded both educationally and socially. I have learned and experienced a lot about how to write scientific paper, and I have also developed personally and mentally. This thesis gave me the opportunity to interview different people and see how the brokering business works in real life.

First and foremost I want to thank my supervisor Dr. Anne H. Gausdal for your indispensable counseling throughout a stressful semester. You have been very helpful and kind, and have given me the motivation and confidence to conduct this thesis. There is no doubt that without your warm support, I was not able to manage writing my thesis. I also thank Anne Kari Botnmarkand and Tine Viveka Westerberg for their kind support and flexibility.

Last but not least I want to thank my family who gave me motivation all the time. Special thanks for my father for inspiring me to pursue a master degree, and for encouraging me throughout the course of my studies.

Ensieh Kheiri Pileh Roud

Vestfold, May 2015

Table of Contents

Abstract

This study deals with the core benefits of network participation from the maritime companies' perspective. It mainly focuses on the area of innovation, network qualities and absorptive capacities.

A single case study has been conducted to address two research questions; *1) what are the core benefits of network participation for a maritime company? 2) Which qualities of network events influence the benefits for the participants?* The main findings show that, the networks are valuable communication channel for organizations aimed at knowledge sharing, having access to industry news, and innovation approach. Moreover it discovered that network participation is an appropriate mean for negotiation practice, trust building, contact building, and developing existing relationships. The study founds that transparency of network and between participants, diverse range of participants, combination of formal and informal program, weather, time of the year, geographical location, size of the event hall, number of participants, age range of participant, and cost of attendance are the key factors, which influence the quality of a network event. The study has theoretical and practical implications as well as future research suggestions to improve benefits accomplishment from network participation.

Keywords: Network participation, network event, absorptive capacity, innovation, trust building

1. Introduction

Recent studies on competitive advantage have emphasized the importance of business networking for access to external knowledge and innovativeness (Pittaway, 2004). The enthusiasm for networking is due to acquiring knowledge, which is the most important strategic resource for a company to develop its competitive advantages (Senge, 1990). Consequently, it has been recognized that the uncertainties in network participation are common challenges that the companies wanted to illuminate.

In this chapter, the central research question is going to be introduced which will serve as the backbone of this thesis. Furthermore, this chapter will present possible reasons for a maritime company to engage in networking events. Moreover, it will explain what a network is and how the organizations as part of these networks will tribute to the improvement of various performances. It will demonstrate organization’s goals and strategy in respect to resources by participating in a specific network event. Finally, the principal benefits of networking from a maritime company’s point of view will be identified.

1.1 Research Approach

There are some reasons that make the investigation of networking participation from a maritime company’s perspective, important and difficult. First, the concept of formal networks in the maritime industry is relatively new and few studies have been conducted. The networks as a third party involve uncertainties and ambiguities, however the main emphasis will be on the events arranged by network organizations.

Members of a network become the actual owners of the network by collaborating, and need to understand the dynamic and configuration of the network itself. The same approach applies in a single event as well; meaning the participants are the people, who, together with the network manager, form the networking event. The motivation of members for engaging in networks and their expectations are important to measure. Overall the agile and complex behavior of maritime players and information flow in the market, lead the investigation to the high level of difficulty.

1.2 Research Question

The central research problem is: 'why some maritime companies accomplish benefits from network participation, while others fail?' The benefits can be expressed as developing company's competitiveness. Taking the maritime organization perspective into consideration to investigate the structure of their networking behavior, expectation and strategy, two the research questions has been formulated as: *1) What are the core benefits of network participation for a maritime company? 2) Which qualities of network events influence the benefits for the participants?*

To back up the research questions, two sub-questions are created. These questions are considered in the literature part of the thesis and taken along during the empirical part of the paper. The sub-questions are the following:

- How does the networking dynamic function?
- What is the connection between expectations, surprises and benefits for attending a particular network?

Network organization as a third party, provides various services for the members and connecting them. However one of the key activities is arranging an event, where the members can actually meet each other. Some networks have company membership, while others have personal membership from employees and managers. Therefore, in this study the benefits of participation in networking events in both company and personal networks will be considered.

In the following chapter, the literature part of the thesis will be treated. In this chapter the subjects of networking, innovation and absorptive capacity will be elaborated. The third chapter will show how the research question will be investigated, and present the methodology used in the thesis. Based on the empirical analyses done, the findings will be presented in the fourth chapter. The fifth chapter will discuss the findings in respect to the theory. Finally, in the sixth chapter the conclusion will be drawn. The conclusion will answer the research questions and will expose some feedback on the research that has been done.

2. Literature Review

Prior to constructing the theoretical framework of this study, a brief literature review on some of the most prominent, and consequently most cited studies of business networking, and their influences on company's performance, was carried out. This was essential in order to get a perspective on different theories within this particular discipline and construct a respectable theoretical framework for the thesis. This chapter concludes in the development of a conceptual model and a set of propositions that will be based on the theories presented.

2.1 Networks

"One of the developing features of the twenty first century innovation landscape is, that it is much lees of a sole enterprise activity" (Tidd & Bessant, 2014, p. 300). For variety explanations it is increasingly a multiple game in which organizations of different shape and sizes work together in networks (Tidd & Bessant, 2014). One of the reasons can be that differences in individuals' creativity and intelligence matters less for an innovation than strong connections and networks (Fleming & Marx, 2006). It is said, *network* can be defined as a complex interconnected group of people and *networking* means applying that arrangement to accomplish particular task (Tidd & Bessant, 2014). For the purpose of this study, networks can be described by establishing any individuals, teams or organization, linked by direct relationships. The intention will be on knowledge flow and sharing rather than knowledge creation (Dodgson, Gann, Salter, 2008). The networks may e.g. be regional clusters, or supply chains or product development cooperation or strategic alliance that can bring competitors and customers into a temporary collaboration. Successful networks will lead to build extensive connection and ties among participants where the whole outcome of networking can be greater than sum of the parts, which is called *emergent properties* (Tidd & Bessant, 2013). Further in the below subchapter the network is going to be discussed from different dimensions.

2.1.1 Network types

The most effective leaders understand the importance of networking to access internal and external resources to facilitate their job (Ibarra & Hunter, 2007). According to Ibarra and Hunter (2007), networking has three different types from leaders point of view, named as operational, personal and strategic network. The first help them to manage current internal responsibilities, the second to boost their personal development, and the third to open their eyes to new business directions and the stakeholders they would need to enlist. While the managers differed in how well they practice operational and personal networking, it is exposed that almost all of them underutilize strategic networking (Ibarra & Hunter, 2007).

For the purpose of this study the main focus will be on strategic form of networking, which enable the organization to operate beside other players in the market with diverse affiliations, background, objectives, and incentives (Ibarra & Hunter, 2007). Consequently, the participants need to be a business formulator rather than functional operator and apparently compete for ideas and recourses to make networks favorable for their business objectives (Ibarra & Hunter, 2007).

The table bellow present a summery of all three types of networking including their purpose, key players and network attributes. The content of the table will be used in the discussion part of the thesis.

Table 1

Three Types of Networking

	Operational network	**Personal network**	**Strategic network**
Purpose	Getting work done efficiently	Enhancing personal and professional development	Figuring out future priorities and challenges
Contacts and temporal orientation	Contacts are mostly internal and oriented towards current demands	Contacts are mostly external and oriented towards current interest and potential interest	Contacts are internal and external and oriented towards the future
Key players	Key contacts are relatively nondiscretionary; they are prescribed by task and organizational structure and its very clear who is relevant	Key contacts are mostly discretionary; its not always clear who is relevant	Key contacts follow from the strategic context and the organizational environment but specific membership is discretionary; its not always clear who is relevant
Network attributes	Depth: building strong working relationship	Breath: reaching out to contacts who can make referrals	Leverage: Creating inside-outside binding

Note. Information revised from Ibrra H., and Hunter M., "How leaders create and use networks", Harvard business review, Jan 2007, p.4

2.1.2 Network levels

The networks can generally be classified in two different levels, formal and informal. Formal networks can be defined as "intentionally formed group of small to large sized, profit-oriented companies in which participants are proximate, potentially share inputs and outputs and undertake direct interaction with each other for specific business outcome and it is arranged by third party" (Kingsley & Malecki, 2004, p. 72). In contrast, the informal networks can be defined as a group of individuals and organizations, including private, public and also non-profit entities, which are sufficiently interested in the economic viability of specific issues. Knowledge and opinions of the both parties are sufficiently valuable that lead them to enter into regular information exchange about issues relevant to their competitiveness, without involving third party (Kingsley & Malecki, 2004). The potential outcome and efficiency of both level of networking planed to be investigated and compared.

2.1.3 Network benefits

So far the type and level of network have been defined but what the organizations actually gain from being part of the networks will be explained here. This subchapter will explore the benefits of networking from literature. The emphasis will be on motives behind and what will be the potential and the actual benefit for company. Considering previous explanations about networking, companies should make a decision, how to position themselves in networks with respect to their expectations, company's strategy, opportunities and necessities. How these factors are prioritized or managed by the company will be investigated in this thesis.

The principal benefits of networking are identified as; risk sharing, obtaining access to new market and technology, speeding product to market, pooling complimentary skills, safeguarding property rights when complete or contingent contracts are not possible, and finally acting as a key vehicle for obtaining access to external knowledge (Pittaway, Maxine, Munir, Denyer & Neely, 2004). It is vital to be conscious about the dynamic of network in order to accomplish benefits from it. Networks dynamic and configuration emphasis on the reciprocal cooperation between parties in networks. Findings from the literature indicate that firms which do not co-operate neither formally nor informally in knowledge exchange, will consequently limit their knowledge base in the long term and reduce their ability to enter into exchange relationship, and also affect their resources (Pittaway, Maxine, Munir, Denyer & Neely, 2004).

One of the important ambitions for being part of a network is to obtain sustainable competitive advantage (Pittaway, Maxine, Munir, Denyer, & Neely, 2004). According to Barney (1995) an organization needs to have resources where they are valuable, rare, and costly to imitate, and possible for the organization to capture the value of resources in order to reach sustainable competitive advantage. This framework called VRIO, where it used to evaluate the company's capabilities and resources (Rothaermel, 2012). One example of VRIO resources is "trust"; where it cannot be substituted and copied easily by other competitors and while it can be built during networking. Conversely, a longitudinal study has showed that trust has a positive effect on network process where it can be used as a practical vehicle for facilitating commitment in development of network procedure (Gausdal, Hildrum, & Gustavsen, 2014). Thus, trust and networking can both have a feasible impact on each other.

2.1.4 Network connections

The connections or ties between different actors within a network can be of different kinds and various intensities. A way to distinguish between different ties is through the strength of the tie, which will be made clear in the following part. Granovetter (1983) focuses in his study on social network ties. He distinguishes between strong ties and weak ties. The first group is the people that you are directly related to in a social way and can be seen as close friends or business partner; in these people you invest a considerable amount of time. The latter are acquaintances that are less likely to be socially involved with one another and these receive far less time. Grantovetter (1983) also claimed that a certain person (person A) would have, next to his or her collection of close friends, a collection of acquaintances of whom few would know one another. However, these people are likely to have close friends on their own with whom they form a small knit of social contacts that is however different from person A's social structure.

The weak tie between person A and his acquaintance, therefore, becomes not merely a trivial acquaintance but rather a crucial bridge between the two densely knit clumps of close friends (Granovetter, 1983). The centre of attention lies here on the fact that without these weak ties, the different knits, or cliques, of close friends would not have been connected.

Grounded by above the explanations, the network can be a valuable place for making weak ties and surface connections where it might become a strong business ties in the future. However, the quality of network as a third party influence on the relationship building process in the network, which will be taken into consideration (Pittaway, Maxine, Munir, Denyer, & Neely, 2004).

Krough (2000) found out that the most suitable context for creating personal connections and ties are small groups. This can influence the efficiency of the network event and quality of the communication. Abrams et al. (2003) argues that the most efficient relationships, seem to be *trusted weak ties*, where people who do not know each other very well, but who trust each other to be competent and benevolent. As the result, regular communication tends to increases the exchange of information to evaluate each other's capabilities, intentions and behavior (Gausdal, 2012). Moreover, frequent close interactions may lead people to care about each other and to better understand each other's expertise (Abrams et al., 2003). Abrams et al. argues that, 'this increase(s) trust in one another's competence' (Abrams et al., 2003, p. 68).

In concrete, one critical aspect of participation in networks is communication skills and barriers. Some factors in communication can potentially affect the trust among actors in networks, for example; shared vision and language seem to increase trust in networks (Abrams et al., 2003; Argyres, 1999; Tsai, & Ghoshal, 1998), and also facilitating the creation of personal connections. It is easier for people with mutual goals and mentalities to form closer bonds and understand each other's expertise and communications (Gausdal 2012). The language differences represent a basic barrier to communication. Both the richness and the collectiveness of communication, consequently have been affected under language barriers (Wenger et al., 2002).

2.2 Network Event Quality

Nooteboom (2000) has described network institution as a third party, which shape the cultural, and development condition for participants, as well as acting as intermediaries in network formation. The ability of network's moderator in integration, communication of members with each other, and their commitment to network-level goals determine the "networkness" of the network (Human, & Provan, 2000). In order to communicate and integrate, the members need to meet, so they attend an event. According to Lampel and Meyer (2008), events are settings in which people from diverse organizations and with diverse purpose assemble either periodically or on one-time basis, under some common agenda. Lampel and Meyer continued on that, the events are:

> *arenas in which networks are constructed, business cards are exchanged, reputations are advanced, deals are struck, news is shared, accomplishments are recognized, standards are set, and dominant designs are selected. Network events can enhance, reorient, or even undermine existing technologies, industries, or markets; or alternately, they can become crucibles from which new technologies, industries, and markets emerge. (Lampel and Meyer 2008, p. 1026).*

Network events therefore create a social space where participants can represent both themselves and their organizations. This duality is significant for the unique role these events play in the evolution of fields when people and organizations connect to form both personal and organizational networks (Lampel and Meyer, 2008; cf. also Meyer, Gaba et al. 2005).

In addition to the above explanations, trust may be engendered by the third party guaranteeing that fairness and transparency will be maintained in the network event (Burt 2001; Ferrin, Driks et al. 2006). Moreover, the coordination and administration proficiencies of the network event play a significant role (Inzerilli, 1990).

The research conducted by Ahuja (2000) highlights that, companies were most keen to form linkage in with other companies where those who had a high level of commercial competence in the network event. In parallel, two barriers to network formation exist. First, companies with high level of competences are less likely to see the value of forming network relationship with other firms (Gales & Boyton 1992; Kitching & Blackburm, 1999). The second barrier is businesses with few existing relationships often lack the technical and commercial competences required when trying to attract partners (Ahuja 2000; Ericson & Jacoby 2003). Thus the participant competence and background can potentially impact the process of relationship building.

From Kaufmann, Todling and Nooteboom's (2000) point of view, the nature of a network is dependent on its industrial context and on strategic requirements of individual members. However, as the members are who forming the network, consequently the network configuration constantly associate with changes and adaptations, depending on member's variety of contribution (Kash & Rycroft 2002; Koch, 2003). Consequently, it will have an impact on events' configuration and the benefits for the events participants.

The question, of which networks the companies should position themselves within and what factors are critical, still remains ambiguous due to few research conductions in quality factors.

2.3 Innovation

Innovation has been the centre of theoretic discussion for a long time. Besides the discussion on its definition, also its uses are repeatedly discussed. Forms and sources of innovation will be deliberated.

2.3.1 Innovation definitions

Schumpeter defined innovation in 1934 as the carrying out of new combinations, which visualizes five different cases: (1) The introduction of a new good or of a new quality of a good; (2) The introduction of new method of production; (3) The opening of a new market; (4) The opening of a new source of supply; (5) The carrying out of the new organization of an industry (Schumpeter, 1934). In his view, it is the producer that is the sole person that innovates, and new firms that start producing along the old ones carry out most often innovations. The carrying out of new combinations does not necessarily mean that only vacant means of production are employed; new combinations draw the required means of production from old already existing combinations; therefore innovation consists in a different employment of the existing resources by composing new combinations with them (Schumpeter, 1934). Schumpeter (1934) also made a difference between an invention and an innovation: as long as an invention is not carried into practice it is economically irrelevant, and furthermore, innovations do not need to be inventions in the least.

Innovation can also be described as “the effort to create purposeful, focused change in an enterprise’s economic or social potential” (Acs et al, 2001). Another definition is given by Thompson (1965), that defines innovation as the generation, acceptance, and implementation of new ideas, processes, products, or services. Amabile et al (1996), later defines innovation as, "the successful implementation of creative ideas within the organization" (p.1155). The definitions from Amabile and Thompson are different from some other definitions that focus only on the production of ideas, rather than implementing them. But most current definitions of innovation do include both the development and the implementation of these new ideas.

Overall, combination of aforementioned innovation definitions can be formulated as, "a new combination of knowledge which is potentially useful and possible to implement." In this definition, Schumpeters definition for the first part, a new combination of knowledge is combined with Amabile definition which emphasis on 'successful implementation' (Amabile, 1988). This thesis refers to the combined definition of innovation.

2.3.2 Source of innovation

According to the literature, innovation has two practices of sources, the first is formal and informal networking, and the second is internal and external acquisition (Soo, Devinney, Midglay, & Deering, 2002). However, economists acknowledge that innovation involves largely the recombination of existing knowledge. Innovation is often the result of synthesizing or bridging ideas from different knowledge domains (Hargadon and Sutton, 2000; Burt, 2004). Therefore, firms increasingly enter into networks and research and development (R&D) alliances with other firms to combine complementary knowledge to reach innovation (Dyer et al., 2006). Nevertheless, only networking as a source of innovation will be the central point in this study.

2.3.3 Radical and incremental innovation

In the literature an interesting distinction can be made between radical and incremental innovations (Werker, 2000), which adds to the innovation literature. It is a clear classification of different innovations and therefore it helps to understand the topic of innovation better.

Incremental innovations are innovations within a technical paradigm that are generated in an ordered and accumulative way, and an ex-ante idea exists about their possible outcomes and implications. In contrast, radical innovations cause a change of the technical paradigm, and there is a lot of uncertainty about their possible outcomes and implications (Tidd & Bessant, 2014).

2.2.4 Rationalist and incrementalist strategies

There are two fundamental approaches in corporate strategy that have high potential impact on developing an innovation strategy, namely rationalist and incrementalist approaches. The rationalist approach is a linear model, following three steps; to describe and analyse the environment, to define a course of action based on analysis made and to carry out the decided course of action (Tidd & Bessant, 2014). In contrast, the incrementalist approach argues that we live in a complex and fast-changing world, where it is impossible to fully predict and understand the future and changes. Thus the efficient procedures is to make careful changes towards the objectives, measure and evaluate the effect of the changes and finally adjust the objective and decide on the net change (Tidd & Bessant, 2014).

Regarding to a company’s innovation strategy, the willingness to collaborate and to exchange knowledge with external environments will be discussed. For the purpose of this study, the incremantalist strategy will have higher degree of importance in context of networking.

2.3 Absorptive Capacity

In recent years several researchers used absorptive capacity (ACAP) in their analysis of diverse, significant, and complex organizational phenomena (Zahra & George, 2002). ACAP is a broad concept, which still remains with some ambiguities in determination of dimensions that shape the construct. In this study the ACAP will be applied on surface level to estimate the company's ability to absorb new information from an external source and implement it (Networks).

Cohen and Levinthal (1990) define absorptive capacity as " an ability to recognize the value of new information, assimilate it, and apply it to commercial ends" (p.128), and saw it as largely a function of the firm's level of prior related knowledge. Absorptive capacity is an important construct because it pays attention to how well companies are equipped to search out, select and implement knowledge (Tidd & Bessant, 2014). Various companies have different capabilities and the absorptive capacity is not distributed uniformly through the population. For diverse reasons, companies may face difficulties in growing through acquiring and using new knowledge. Some may simply be unaware of the need to change regardless of having the ability to handle such a change. Some companies can recognize the need for change, but lack of capabilities to assimilate and make it effective. While some have well-developed routines for dealing with all of issues and represent resources on which less experienced companies might draw (Hobday, Rush & Bessant, 2005). The differentiation of companies, influence the level of absorptive capacity and consequently their performance.

A more complete definition of absorptive capacity's construct has presented by Zahra and George (2002) that covers above circumstances. It includes four dimensions named; acquisition, assimilation, transformation and exploitation. Acquisition refers to a company's ability to identify and obtain knowledge from external sources. Assimilation refers to a firm's ability to develop processes ad routines useful in analyzing, interpreting, and understanding externally acquired knowledge (Szulanski, 1996). Transformation refers to developing and refining those routines that facilitate combining existing knowledge with acquired and assimilated knowledge for future use (Zahra & George, 2002). Finally the exploitation denotes a company's capacity to improve expand and use its existing routines competence to create something new based on the transformed knowledge (del Carmen Haro-Domínguez, Arias-Aranda & Lloréns-Montes, 2007).

2.5 Conceptual Model

To summarize the literature review chapter, a conceptual model of the processes of benefits accomplishment from network is developed and presented below.

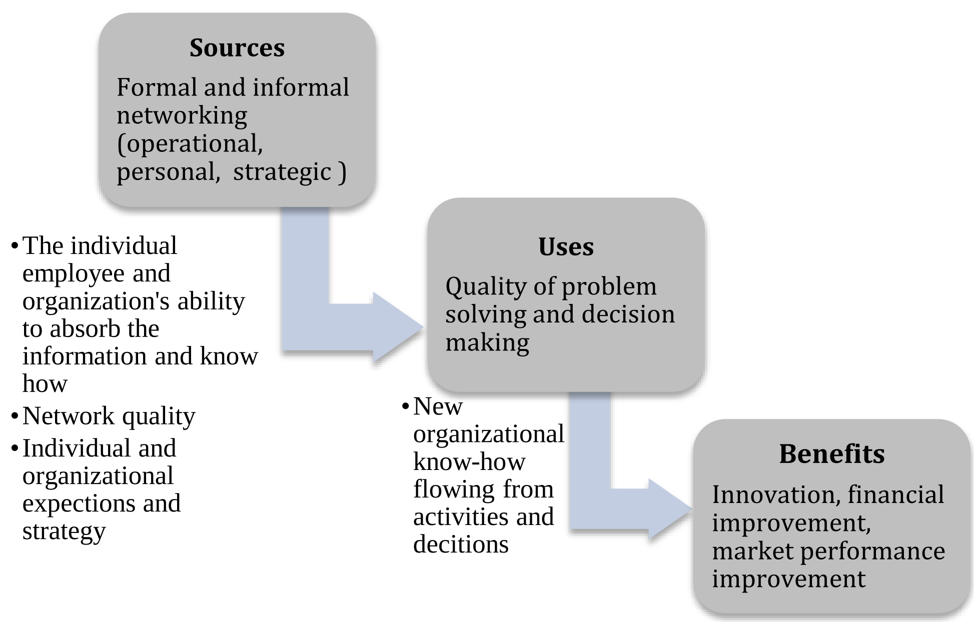

Figure 1. Primary conceptual model of network benefits process
Note. Soo, Devinney, Midgley, and Deering, 2002

3. Methodology

This chapter deals with the research methodology. It discusses the research strategies, research design, data collection, data analysis and ethical considerations. According to Bryman and Bell (2011) “a research method is the processes and technique for collecting, analyzing and interpreting data to realize the objectives of a study” (p. 41). It can involve a specific instrument, like questionnaire or interview schedule, and participant observation whereby the researcher watches and listens to others purposefully.

The research questions are at the organizational level. Referring to the Oxford definition, an organization is; “an organized group of individuals with a particular purpose, such as a business or government department.”. Thus, to study the phenomena at the organizational level, the selected informants are the individuals (managers and employees) in the organizational group. In the final stage of the analysis, the overall findings will lead the conclusion to be at organization level.

3.1 Research Strategy

Research strategy consists of two main principles; qualitative and quantitative methods (Bryman & Bell, 2011). In quantitative research, a researcher relies on numerical data and emphasis on quantification in the collection and analysis of data (Charles & Mertler, 2002). This strategy is the most suited one for developing such knowledge, as cause and effect thinking, reduction to specific variables, use of measurement, and the test of theories. In quantitative strategy, the researcher attempt to isolate variables and causally relate them to determine the magnitude and frequency of relationships (Bryman & Bell, 2011). Therefore it follows the deductive orientation.

In contrast, the qualitative research strategy emphasizes on an inquiry process of understanding rather than quantification in data collection and analysis (Creswell, 1998).

The researcher develops a “complex, holistic picture, analyzes words, reports detailed views of informants, and conducts the study in a natural setting” (Cresswell, 1998, p. 15). In this approach, the researcher makes knowledge claims based on the constructivist perspective (Guba & Lincoln, 1982).

According to Creswell (1998), qualitative research strategy is effective in gathering knowledge about the values, definitions, behaviors, and social contexts of certain populations. “Qualitative data, with their emphasis on people’s lived experiences, are fundamentally well suited for locating the meanings people place on the events, processes, and structure of their lives and for connecting these meaning to social world around them” (Miles, Huberman, & Saldaña, 2014, p.11). In addition, qualitative strategy is flexible and more helpful to understand social phenomenon from the participant point of view (Brinkmann & Kvale , 2008). However, it is essential to notice that, the strength of qualitative data rest centrally on the competence with which their analysis is carried out.

The choice between a qualitative and quantitative strategy cannot be made in abstract; however, it needs to be directly related to the particular research question of study (Alvesson & Skoldberg, 2000). The research question of this study is “What are the core benefits of network participation for a maritime company?” If the intention of this thesis were to investigate the bulky number of participant in a huge sample size, probably the quantitative method would be adequate (Ringdal, 2007). However, the desired approach to answer the research question is to obtain in-depth knowledge with close interaction with participants in a natural environment. Above explanations and the research question of the thesis, mainly lead this study to use the qualitative strategy, where the analysis of data is more interpretative.

3.2 Research Design

Previously the methodological foundation for the research strategy has been presented. This subchapter will elaborate how the empirical research process of the thesis proceeded in practice. Referring to Bryman and Bell (2011) research design provides a framework for the collection and analysis of data. The choice of research design depends on the research strategy and vise versa.

Research design has five different types that named as: experimental, cross-sectional, longitudinal, comparative and case study (Bryman & Bell, 2011). Experimental is a research design that rules out alternative explanation of findings deriving from it by having at least an experimental group, which is exposed to a treatment, and a control group, that is not; and random assignment to the two groups (Bryman & Bell, 2011). This design is rare in business and management research because it is hard to achieve the requisite level of control when dealing with organizational behavior. Moving to another research design, cross-sectional (social survey), which is mainly suitable for quantitative strategy, because this design is appropriate to collect quite a lot of data at a single point in time (Bryman & Bell, 2011). Longitudinal is a design in which data are collected on a sample on at least two occasions. This design is important when the mechanism and processes of change is going to be investigated in order to map the changes in business (Pettigrew, 1990). Nevertheless, this design demands high cost and time. The fourth design is comparative, that entails the comparison of two or more cases in order to clarify existing theory or generate theoretical insight as a result of contrasting findings uncovered through the comparison (Bryman & Bell, 2011). This design is recommended by Hantrais (1996) for studying as a phenomenon in different countries to compare their manifestation in different sociocultural setting. The final research design, case study deals with detailed and intensive analysis of a single case. The geographical location is the most common term, which associates with case study, such as workplace or organization (Bryman & Bell, 2011). The advantages of case study comparing to other designs are the focus on bounded situation, an entity with a purpose and functioning part. "There is a tendency to associate case studies with qualitative research. Because of providing intensive and detailed information about the case by particular observation or interviews, it can be favorable for qualitative method" (Bryman & Bell, 2011. p.23). Also Eisenhardt and Graebner (2007), indicate that the case study is "the most suitable and widely used design in management field" (p.22). In respect to the research question, strategy and above discussion on research design, the single case study has been chosen for this thesis.

A common concern about case study is that they provide little basis for scientific generalization (Yin, 2003). It is not simple to generalize from a single case study because scientific facts are rarely based on case (Kennedy, 1976). However it would be more reliable to replicate the same phenomena in a multiple-case condition. In short, the case study like experiment is generalizable to theoretical proposition not to the universe (Yin, 2003). The purpose of doing this case study was to expand and generalize theories and not to enumerate frequencies. In addition, the multiple-case studies consume a lot of time and results are massive, which was out of the scale of thesis, thus a single case has been chosen (Yin, 2003). The case selected for this study of the core benefits of network participation was a Norwegian ship brokering company.

3.3 Data Collection

According to previous decisions made about strategy and design, the method for collecting data will be presented.

The interview is the most widely used method in qualitative strategy, probably because of its flexibility and the level of interaction with participants (Bryman & Bell, 2011). However it can be very time consuming but might not be difficult to accommodated into researcher's timescale.

According to Bryman (2012) there are mainly two types of interview in qualitative research: unstructured interview and semi-structured interview. Unstructured interview refers to a context where the interviewer has only a list of topics to cover, which is called interview guide. The style of questioning is very formal, and the phrasing and sequences of questions will vary in each interview. The semi-structured interview denotes to a context in that the interviewer has list of questions that are in general form of an interview guide however, the sequence of question can vary. Moreover, the interviewer commonly has some opportunity to ask further questions (Bryman & Bell, 2011). In this study the interviews were semi-structured, which helped to clarify unclear questions to the interviewee during the interview and also gives in-depth information about the subject (Best and Khan, 1986).

A commitment to the practice lens required combining observations with semi-structured interviews (Feldman & Orlikowski, 2011). The reason to use two different methods is, because it would increase the quality and reliability of the data gathering process (Jick, 1979). Martela (2012) explained clearly the reason of combining two methods as below:

> *Observations can make the researcher more informed about the empirical context, and which questions that are more relevant to ask in the interviews, whereas the interviews offer opportunities to ask about the things that one has observed and to validate one's feelings about what one has seen (Martela, 2012, p. 109).*

The researcher visited the company's headquarter seven times within three weeks. The first time was about applying for permission in human resource department and presenting the thesis' description and its significant. While the researcher visited the company, time was spent to communicate with a few employees and other informants who would be interviewed later. The purpose was to build personal trust and connections. Obtaining trust would to some degree, prevent the possible changes in the interviewees answers and decrease unnecessary formalities. The other visits were for the purpose of interviews.

Being present in their working environment provide the opportunity to observe surroundings of the informants, and perceive informants as they interacted with colleagues or clients in informal settings. The observations donated information about the empirical context, and some ideas of what questions that would be more relevant to ask and to whom in the interviews. Some critical knowledge like, interior design, office decoration, lunch table, department separation and the building views, gathered by observation. Regrettably, it was not possible to observe the informants in action at work or in network events, due to the confidential nature of their work.

One advantage in qualitative strategy is that the sample can be chosen purposefully regarding the subject of study (Miles, Huberman, & Saldaña, 2014). The population of this study is all the departments, and the final sample included nine people. Since it was not easy to contact directly the employees and ask them for interview, the researcher met one director and asked him to nominate 7 to 12 from three different departments, who are familiar with network activities. A week later, the director coordinated the researcher for interviewing 12 people including himself, but 3 out of 12 where unavailable for interviews. Due to the nature of maritime industry eight informants were male and only one female. However in this study the attention is on core benefits of network participation without considering the gender discrimination.

The interview guide has been developed based on the research sub-questions and the literature review. The interview guide started with general questions and narrowed down with more comprehensive questions. Before starting the interview, informants were asked to introduce themselves. The interviews included fourteen questions, both categorized and open-end questions.

In order to maximize the value of time spend with interviewees, there was a need to be well prepared (McCracken, 1988). The interview guide was pilot tested with three fellow students. The reason of this test was to make sure the interviewees not just understands the questions but recognize it in the same way. Besides, the test enabled to know the actual time of completing the interview. Moreover the test revealed how appropriate were the formulation and the sequences of the questions. During the test, it was difficult too keep the sequence of questions, it also happened in interviews. Each time the interviewee to some degree led the interviewer for the next question. As a result the sequence in the interviews varied. The interview questions are as follows (see Appendix A):

1. How long you have been working in this company? Can you briefly describe your background and your position in this company?
2. Do you participate in any networks at formal or informal level?
3. Why do you attend these particular networks? Is there any conscious behind?
    - Can you please give an example?
4. If you would list benefits of the networks you engaged, what would it be?
5. What do you see as a good quality network?
6. How important do you see the quality of network itself in relation to outcome?
7. Before becoming a member of specific networks what are your exceptions to be met?
8. Please clarify when do you expect to meet your exception after attending an event?
9. Have you experienced surprising benefits, benefits that you did not expect?

- Can you please give an example?

10. As a member of networks what to you do to collaborate and how important you see the personal communication skills?

11. Do you have clear strategy and goals toward networking behavior in you company?

12. How do you evaluate your company in terms of innovation?

- Do you see reflection of networks participation on innovation in you company?
- Have you experienced a radical change or its most incremental changes?

13. How much support do you get from upper management in respect to new opportunities and possibilities that you face by networking?

- How do you see your company's power distribution and adaptation to changes in market?

14. Do you attend some networks as a personal choice, or it is mostly company's force?

Three different departments of the company have been chosen for interviews were, LNG, Tanker, Consultancy, and three people from each department have been interviewed. In total nine people with various background, experiences and position interviewed. All the interviews were face to face except one, since the person was out of office, thus a Skype interview was conducted, and each interview took roughly forty-five minutes. It took around three weeks to complete collecting all the required data. In order to get relevant data, the interview questions were developed to focus on the research question. Nevertheless, most of the secondary data was collected via the company's

3.4 Case Description

This subchapter describes the company's background and the context of the study. As pointed out previously, the case chosen for this study was a Norwegian ship brokering company. Based on the nature of brokering job, networking counts as a talent for them since their mission is to bind two parties. Therefore, to study the concept of networking, a brokering context was a decent option.

The company represents over a century of history, growth and excellence in the area of shipping services. Established in 1869, the company bought shares in vessels and chartered vessels. Later it engaged in new building vessels contract for the purpose of sale and purchase. The company engaged in both liner and tramp activities and survived the two world wars. In addition to ship owning activities, the firm continued to engage in developing its skills in the area of shipping services in the dry cargo market. As the tanker industry started to grow at the beginning of the 20th century, the company became enthusiastically involved in this new field of endeavor. “The history of the company has been closely focused on the concept of innovation; whenever new ideas and new industries developed which required seaborne transportation, the company was quickly on the scene.” (Manager)

Later, the need for brokerage services for the transportation industry became so great that the company began to develop these as its major business area. Next, the company involved in car carrier transportation, offshore and rig broking, coinciding with the onset of the development of the Norwegian continental shelf offshore oil fields, and energy trading and financial services. The company was also a pioneer in the development of transportation industry research and consultancy services, and has been involved in monitoring and analyzing shipping market.

Currently the company is active in the following areas: shipping, offshore supply, energy, project finance, offshore and capital market. It has offices in eleven strategic maritime hubs, including Oslo (Headquarter), Paris, Houston, Tokyo, Seoul, Beijing, Shanghai, Hong Kong, Mumbai, Bangkok and Singapore. The company has eight departments; LPG, tankers, dry cargo, roro, sale and purchase, LNG, research, and consultancy. In the thesis, LNG, Tanker and consultancy departments were chosen to study, because the informants who were available and familiar with the thesis concept worked in these departments. The company has approximately 350 employees worldwide, and average tenure of employees is more than 10 years. He also expressed that, the company's key principles are, reliability, efficiency and quality. Regarding to their financial report, the company is one of the most successful brokering agencies with a decent profit generation. Regarding to the manager, the salary system is percentage base like most of brokering companies, but it can vary from position to position.

As it has perceived by the researcher during the fieldwork, the company has a friendly environment and a flat management style with low power distance. There were no pressure or stress from the informants for the researcher during the interviews. The company offered a warm welcoming to the researcher to show their respect for students in general. Apart from that, the company had several young analysts that most of them were male and very few female. About the interior design of the building, the offices were open without walls and only separated by tables. However not all of the departments were in the same floor. The building had a nice view of sea and harbor from windows that deserved researcher's attention because there was a direct connection between the office view and their daily tasks.

3.4 Data Analysis

Analysis can be defined as three concurrent flows of activity: data condensation, data display, and finally conclusion verification (Miles, Huberman, & Saldañ, 2014). These three activities have been followed, and the figure below illustrates the interaction between the activities of data analysis that will be defined in the following.

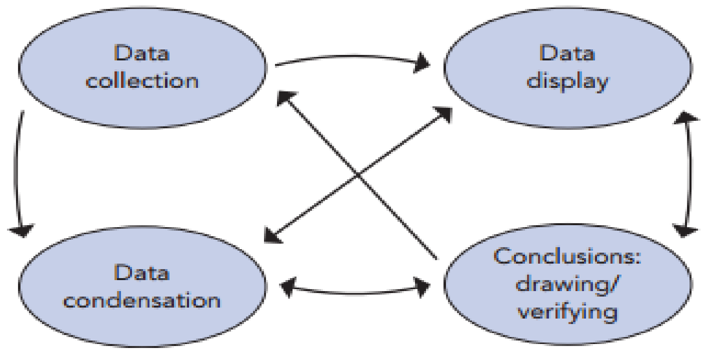

Figure 2. Component of data analysis: Interactive model

Note. Miles, Huberman, & Saldana, 2014, p. 14

As Miles and Huberman (2014) described, “data condensation is the process of selecting, focusing, simplifying, abstracting or transforming the data that appear in the full body of interview transcripts, documents and other empirical materials” (p. 12). Data condensing makes the data stronger, unlike the data reduction where refers to losing data in process. As the data collection continues, later stage data is condensed by writing summaries, coding, developing themes, generating categories, and writing analytical memos. During the coding the data was classified into two main heading of informants: managers and employees. All the related information was then classified under the two major headings. The condensing process continues even after the fieldwork is over, until a report is completed (Miles et al., 2014).

The next flow of analysis is data display. Basically the display is “ an organized, compressed assembly of information that allows conclusion drawing and action” (Miles, Huberman, & Saldañ, 2014, p. 12). In order to understand what is happening, there is a need to have a good display so either continuing analysis or taking an action based on the understanding. After the condensation, the data has been displayed in a table (table 2).

The final flow of analysis activity is conclusion drawing and verification. As Miles and Huberman (2014) suggest the researcher from the beginning of data collection should interprets what things mean by noting patterns, explanations, causal flows and proposition to generate light conclusion. However the final conclusion will not appear until the data is perfectly collected, organized, and analyzed.

The before mentioned activities have been followed in this thesis by inserting all facts in a table from the transcribed data and observation notes. But first the researcher coded data deductively by creating a “start list” which came from literature review and conceptual framework (Miles, Huberman, & Saldañ, 2014). Examples of some deductive codes in start list are; risk sharing, obtaining access to new market key and pooling complimentary skills. Besides, still a few inductive codes emerge progressively during data analysis that not included in start list. For example, the two headings of managers and employee were not anticipated in the beginning, while it coded after the data collection. When the data collection completed, a new table has been made to classify the answers from informants in order to have a clear display. The table formulation is based on interview guide format and sequence. However the answers from open-end questions are also included in the table. Therefore it was easier to map similarities and differences in respect to two headings (managers and employees) to draw a conclusion. The table is presented at the beginning of the discussion to review the findings. During the process the researcher worked forth and back in an interactive way between the data and the analysis.

3.5 Reliability and Validity

Reliability and validity are traditional terms for evaluating the trustworthiness and authenticity of naturalistic research (Lincoln & Guba, 1985). Moreover, the condition of validity and reliability can also be used to value the quality of a qualitative inquiry

(Golafshani, 2003). Reliability concerns the question of whether the result of a study is repeatable (Bryman, 2012). Some examples of reliability considerations are, the role of researcher, clarity of research question, specification of analytic construct and data collection across the full range of appropriate setting (Miles, Huberman, & Saldañ, 2014). For the sake of reliability of this study, the interview questions were sensibly designed and formulated to ensure a rich data collection from the empirical work. The answer of the informants was not far from each other and repeated by several informants, which safeguard the reliability of the data. Moreover, the selection of case and informants is described, and the interview guide is presented.

On the contrary, validity denotes to the integrity of the conclusion that is generated from the research. Validity concerns how rich and meaningful are the descriptions, how convincing and plausible are the findings and how rival explanations have been actively considered (Miles, Huberman, & Saldañ, 2014). In order to ensure the validity the interview questions were frequently asked in different ways to mitigate the biasness of the data. The informants indicated that the information they presented was honest and trustworthy.

3.6 Ethical Considerations

Ethical issues have to be concerned in all stages of the study in order to protect the people, on whom the study is conducted. Moreover, other ethical and legal considerations such as, data management, Copyright, openness and honesty in communication, affiliation and conflicts of interest have been taken into account.

The researcher put all effort to make the study in compliance with the ethical principles. Diener and Crandall (1978) have described the main four principles; harm to participants; lack of informed consent; invasion of privacy; and, deception involvement.

Harm can involve a number of aspects such as physical harm, stress, harm to career prospect, and harm to participants self-confident (Diener & Crandall, 1978). Thus, the researcher has to be careful with informants to prevent any potential harm.

Informed consent is a fundamental principle in social research ethics. Brymen and Bell (2011) believe that informed consent “implies that prospective research participants should be given as much information as might be needed to make an informed decision about whether or not they wish to participate in study” (p. 715). In order to provide the participants with required information, the informants received the interview questions before to the scheduled interview date, and have been informed that the interview will be recorded and transcribed. Informants also had the chance to review the transcribed interview to make sure it is consistence with what they have said.

Based on the first code of Market Research Society guideline “the objective of any study do not give researchers a special right to include on a respondent’s privacy nor to abandon normal respect for an individual’s value” (MRS, 2011, p.16). Therefore, for some confidential reasons, the name of participants and even the name of company is held anonymous.

Deception happens when researchers denote their study as something different than what actually it is (Bryman & Bell, 2001). Due to prevention of this fact the researcher documented the information about the school, the thesis title and type, description of the project and its significance, methods and procedures, and research status to the company. Additionally, the researcher also had a meeting with human resource department in order to get permission for performing the study within the company.

4. Findings

In this chapter the findings will be presented. The findings are organized in accordance to the literature review and the interview guide: network participation and benefits, innovation and, absorptive capacity.

The analysis showed a clear different between the answers depending on whether they were manager or employee. The informants were divided into two categories, manager and employees. Employee participants where under thirty years old with less than ten years of experience, while managers were above thirty years old with more than ten years of relevant experience. Out of nine interviewees, three were managers and six were employees.

4.1 Network Participation and its Benefits

The interview started with a general question “ Do you participate in any networks?” The entire informants answered “yes”. The managers didn’t have willingness to pay for a network membership, while the employees would pay the fee. As they were brokers, they mentioned, “networking is our job and we need to work on it everyday”. Young ship, Norwegian shipbroker’s association, International Petroleum week network (IP London), Bulk forum and Norwegian ship owner’s association were the most important networks, which participants attend. In addition to those networks, they have been invited frequently to give speech in other networks and seminars, because of the good reputation of the compnay. A question about the conscious behind attending particular networks was asked and informant resounded most of the time there is a conscious behind of particular network. Young ship (Norway) was in favor of the employees, because its members are all young people from the shipping industry, while the managers preferred international networks abroad and also giving speech both nationally and internationally. However the majority of informants claimed that, it is important to know who else is member of the network, “a network full of brokers only, will not be interesting at all ” a manager director mentioned. In the other hand, three employees said that, they do not have any conscious behind attending networks because they want to take any chance to participate in networks, to make their own connections.

As the main focus of the thesis was benefits of networks participation, informants were asked to list benefits of network participation. The answers were slightly different, however the key emphases were almost the same. A manager highlighted some benefits as:

> *Networks help us to discuss the market dynamic and understand how others see the pros and cons of fact in the market, for example; drop in oil price affects the LNG market and also tankers, but we need to know how are player forecast the issues and what is their reaction, this requires to have external connections and, networks usually are the right place to be in this case.*

Moreover, he mentioned that the networks offer a platform for them to expose themself and to meet the people who probably they only had phone contacts. Another manager director emphasized on the importance of network participation for employees as:

> *In the Norwegian market, I can say that I know most of the players so we don't have much new thing for each other in comparison to young ones in the industry. Also networks helps fresh employees to develop their analytical and problem solving skills and make them more innovative by observing others point of view.*

In the line with the manager opinions, four employees claimed that one of the key benefits for them is to build their own contacts and networks to improve their career profile. An employee asserted that there are some secretes in the market, and network is the best channel to find them out, because education and economical forecasting have limitations while, having a dialogue with a person can open your eyes.

According to most informants, alternative benefit of network participating is the opportunity for developing relationships not necessary a new one. One employee said “it happened a lot to me that I knew the person from previous conference or by phone calls and suddenly I met him later in an event that really speeded up our relation building.”

One frequent used word by all informants during interviews, was trust building, even though it was not directly asked. Informants claimed that to build the essential trust in business they need sufficient time and face-to-face meeting. Nevertheless, they have business with some client that they have never met, but definitely there is someone in the company that knows the client very well. They call it “indirect trust”.

All the informants were Norwegian and they perceived Norwegian as a trustworthiness brokers comparing to London and NY brokers based on their experience. One employee believed that, the event with many British traditional brokers has low transparency, where it is not easy to trust people. Moreover they said, being in networks gives you the opportunity to observe people’s behavior, attitude, manner of talking and appearance, which can help you in future within decision making whether do business with them or not. This observation is helpful for trust building and gives you initial impression of that person (potential client). One manager stated that, the transparency and the consistence behavior of network’s manager is essential for further activities.

One of the employees believed “the wider the network is, the more possibilities you have, mainly due to wider information and your access”. He also said, networks like Young Ship, is a great place to ask stupid questions that you would never ask your colleague because you are afraid of getting embarrassed.

4.2 Network Dynamic

Informants have been asked the question of "As a member of networks what do you do to collaborate?". All of them emphasized that; there is no way to get something without giving something. The main approach for them to collaborate was sharing knowledge and their market analyses. One manager mentioned, "the clients are more afraid of their legal department to leak information so we do not expect any advantage information from them" in addition to that he said, "due to the nature of brokering job we have to provide even more information and hope to attract the client afterwards."

The three employees mentioned, that they have limitation of knowledge sharing in networks and that is why they prefer written format of communication since they can review it a couple of times. Therefore, during the network event they try to be more social not so much into the business details. They added that, in many networks they serve alcohol at the end, but most of the time they skip it.

Two managers pointed out that some cultural barriers exist in the communication level as:

> *In networks people come from all around the world having their own culture. In some cases it's a bit hard to understand them fully specially East Asian and Middle East ones. But thanks to the Internet and networks, we are improving our understanding. Luckily, English has been fully accepted by the industry and it is not a big issue in communication.*

Some employees said that the shipping is a traditional and old industry with highly experienced experts. Thus sometimes they feel the age gap of members in networks can be considered as an obstacle for communication.

4.3 Network Event Quality

There were some questions to investigate how important is the quality of the network, or in other words, what is a good network event from their point of view. Most of the informants said that there are many networks they don't attend and it due to their poor quality. One manager explained, for brokers there is no points to attend networks that deal with issues they cant control any ways, such as political complications, national laws and IMO regulations. So from his point of view a good network would be the one in relevant commercial topics with decent mixture of all players such as owner, charterer and cargo owner. He also added that the total cost of participating is important, if it is too high comparing what they might get out of it, and then obviously attending is pointless. This cost includes the membership fee and traveling cots and time. He gave an example:

> *Traveling to China takes you away for a week from office, although there might be some opportunities but time is more valuable. Couple of days ago I was invited for a seminar in Korea but I rejected it since traveling to Korea also need at least a week and practically is not worth for us relating to its value.*

Another manager indicated that the location of event is important for them before deciding whether to go or not. However, for some other members from different companies that might not be an issue, he continued by giving an example:

> *Last time I went to Korea mainly to meet one of our clients and at the same time I was invited to a network event, therefore I attend the network while I was in Korea. Without my client being there, I would definitely not go to Korea for the purpose of that network event only.*

According to most answers, informants after evaluating the cost and location, they search to find out who else would be in the network. The members who build up the network is what makes network event attractive to the majority of interviewees. This was to some degree more important for people in LNG department, as they claimed it is more sensitive in niche segment. The majority of informants believed that, the network entrepreneur needs to know the basic understanding of supply and demand in the market, specially, when their members are mainly decision makers.

A manager presented an example for a network event in Rome during spring, that had many members but most of them didn’t attend the event. He explained, it was easy to get there, nice weather, and most of the key players in the market from all over the world were member of it. Suddenly everybody go to Rome, not because of the network event’s agenda but to have the chance to meet interesting players in private out of seminar, in places like cafés or restaurants. He claimed, it was very efficient and helpful for them most of the time, since it avoided them traveling rest of the year to different places. He continued that network was an excellent communication channel regardless of the event itself.

Three employees stressed on the size of network’s event hall and number of members. They have experienced that in a huge hall full of unknown people, its problematic to start a conversation with members, or you will stuck in talking with one person next to you. They preferred smaller network event that provide the opportunity to talk with more people.

4.4 Expectations and Surprises

A few questions were asked concerning expectation of interviewees from participating in a network (network events and network organization). As it highlighted earlier, the network organization arranges events where people from diverse background participate. The participant might represent their personal interest or their company's interest. This section focuses on events as network unit and individuals as company's unit.

Most of them indicated that they do not have clear expectation from participating in a network. However the answers were slightly different from employee and manager point of view. An employee claimed that he would like to have more detailed knowledge about active players in the market after he leaves the network event. Another employee expected a network to enlarge his number of contacts. While, managers expected to know more changes in the other companies' strategy, structure and staff, for example, who has become new CEO of the company X? One manager indicated that there are some differences between Norwegian and other brokers. He claimed that "London brokers usually have a target and clear plan for attending a network but we don't, therefore what ever happens in the event count as a surprise for us".

Further in the interview a question about surprise examples was asked. The answers revealed, that there were surprises most of the time they attend a network. Several informants mentioned, meeting up a person in a network does not have an immediate outcome but usually they face mutual interest after some time.

One presented an example that, he was in a charity network event but surprisingly he met a potential customer and they exchanged business cards. Later they signed a good contract and he is still their client. He said it is not necessary that the benefit of networks are corresponding to the topic of it, like the charity example. He also continued that its useful to have non-business networks as well.

4.5 Innovation and Absorptive Capacity

All the informants mentioned that innovation is a key element of success but, when they asked to present an example of innovation in their company, they did not have clear answer. Therefore the researcher presented innovation' definitions from different aspect. So they could come up with example. As one manager said:

> *Our company's objective has always been expansion and recently we entered in new market in India and also we are in an evaluation process of opening a new office in Middle- East. However, due to unstable geopolitical condition, we need to be more careful in terms of decision-making. But we are considering to take some risk, because of the lower market competition in the area.*

The researcher continued to ask whether network participation have had any reflection on expansion approach, and he answered:

> *Of course, we cannot take an action blindly. The idea of opening in India has been on discussion for sometime. I have personally taken any opportunity to gather practical information from domestic people who I met in some network events. Having face-to- face chat with a few Indian charterers and operators in London provided me with valuable information about the actual business, that our market analysts were not aware of. The person I met in London later helped us to find a good location for our office in Mumbai. I cannot say the initial idea of opening in Mumbai was from network participation but the information from networks facilitated our processes.*

Four employees indicated that, when there is an on going issue such as expansion, or recruiting new people in the company, subsequently when they are in some conferences or networks event, they try to "*hunt information*" about the relevant issue and mostly it has been of great benefit.

All the informants claimed there is no technical innovation in their company. Only two managers spoke about example of radical innovation in the company, and it was when they started in Tanker and LNG long time ago. All the employees indicated that the random information from network participation has to be organized analyzed and combined before drawing a conclusion or taking an action. All informants mentioned there is always a continuous development and adaptation in the company depending on the external factors in market.

Regarding the absorptive capacity dimensions, all the informants asserted that they are trained to collect necessary information from both internal and external sources. They also claimed that there is low power distance in the company and they have a flat management style as a typical Norwegian company. They feel free to share the ideas with collogue and upper managers but, it does not mean all the ideas will be accepted. An employee said, before presenting the idea to upper the managers, we need to develop and evaluate it first. Then if it is worth to try, a team will work on its implementation.

5. Discussion

In the previous chapter, results were interpreted and described but not discussed. Therefore, this chapter will discuss the significance of the finding in respect to the literature. The discussion will include subchapters organized as following; a summary of findings, theoretical contribution to the network participation, innovation and absorptive capacity.

5.1. Summary of Findings

Based on the analysis of the interviews, observations and secondary data, table 2 has been designed to summarize the main findings. The table includes the coded data from findings in respect to literature. The summarized table eases the further discussion.

Table2

Summary of the main findings

Codes	**Managers**	**Employees**	**Both**
Active in networks	-	-	Yes
Willingness to pay	No	Yes	-
Networks level	-	-	Both formal & informal
Strategy behind attending	Rarely, It depends on the event and other members	Not at all, what will happen will happen	-
Informants expectation	Receiving updates from competitors	Good social activities/ exchange business card	Not a clear expectation
Surprise outcome	Depends on expectation of particular events	Surprise is what makes the events attractive	Always happened (good & bad)
Key benefits	Industry news /Negotiation practice/Develop existing relationships/	Presentation practice/ Contact building/ Learning from others	Market info/ Trust building/ Communication channel
Communication barriers	Cultural differences	Age of other party	Preferred English
Network dynamic	Giving speech	Present analysis and information more than other party	Both tempt to contribute
Non-business networks	Yes	No	
Network quality factors	Weather Short distance Time of the year	Size of the event hall No alcohol	List of participants/ Events location / Costs
Innovation aspect	No technical innovation New office in India	Expansion in new market Awareness of technological innovation	Knowledge combination Incrementalist strategy
Absorptive capacity	Like most of Norwegian organization, flat power distribution, Rich in capabilities and experienced personal Open to share some personal life	Upper manager welcome new ideas Active and outgoing young employees for market searching Even power distribution	High

5.2 Theoretical Contribution to the Network Participation Literature

The findings show that all the informants including managers and employees were positive to participate in networks, and they were fully aware of participation power in terms of improving the quality and closeness of relationship. As informants claimed, networks provide them with opportunities for knowledge sharing, including sharing information regarding future plan or some valuable experiences. This may lead them to create a context for tacit knowledge, by combining the closeness and knowledge sharing (Nonaka et al. 2000).

Informants clearly highlighted some particular networks that they are member of them for reasons such as Young ship, Norwegian ship brokering association. However, managers and employees were attending different networks depending on their department and position. At the same time they attend some random networks as well but not so often. As the findings demonstrate, the outcome of regular network events has less surprises comparing to the random ones.

Participating in a network event where both competitors and clients were present was more interesting for informants. This can illustrate that the company pays attention to its strategic networking even tough they were not conscious about the concept. Their arguments for being active in networks were close enough to the Ibrra and Hunter (2007) definitions of strategic networking, which enable the company to operate beside other players in the market with diverse affiliations, background, objectives, and incentives. Therefore, the company can obtain higher level of economical success due to its strategic networking (Porter, 2011).

The benefits of network participation listed by informants, have driven by asking a categorized question in the interviews. The findings were mostly in accordance to

Pittaway's (2004) principal benefits such as, risk sharing, obtaining access to new market and technology, speeding product to market, pooling complimentary skills, safeguarding property rights when complete or contingent contracts are not possible, and finally acting as a key vehicle for obtaining access to external knowledge (Pittaway, Maxine, Munir, Denyer & Neely, 2004). The table 3 is presenting the summary of corresponding benefits to theory at the end of discussion. The informants mentioned, due to the nature of their business there is not any technological advantage from their network participation. Also the risk sharing did not counted as a principal benefit from informant's point of view. The informants have frequently highlighted that network's role as vehicle for obtaining access to external knowledge, but with different wording (Pittaway, Maxine, Munir, Denyer & Neely, 2004). Moreover, in order to rely on somebody's knowledge, sufficient mutual trust is required.

The interesting and the most significant benefit from the findings was trust building in process of networking. Pittaway (2004) did not include it, however as per Gausdal (2014) argued, trust has a positive effect on network process where it can be used as a practical vehicle for facilitating commitment in development of network procedure. The findings of this study also confirm Gausdal's argument. In order to measure how significant is the trust, intentionally no direct question concerning trust has been asked during the interviews, but as expected all the informants clearly pointed out that interpersonal trust was the key benefit of network participation.

One director said, "*in our business we have to trust the client in the early stage to have business with them but with a low risk engaged, so in further step the client will show whether he deserved trust or not*". This quotation can illustrate that in order to enhance trust, consistent behavior is important and crucial (Krogh, 1998; Zucker, 1986); trust may, break down after frequent abuses (Uzzi, 1997).

In line with Gausdal‘s (2012) findings about trust building process in the network context; this thesis also found that trust building is a slow process (Zucker, 1986), although a swift trust may develop over short, intense periods of interaction in temporary groups (Kramer, Meyerson & Weick, 1996). Therefore, in order to build an enduring trust, actions must be taken to continue the trust-building process.

According to the findings, all informants were active in both informal and formal level of networking. They claimed in the most cases, formal network is an introduction for and informal relationship. The network event in Roma is a good example of ending in informal network via the formal one. As Kingsley and Malecki (2004) explained, knowledge and opinions of the both parties are sufficiently valuable that lead them to enter into regular information exchange about issues relevant to their competitiveness, without involving third party in private. And that is exactly what had happened in Roma. Moreover, there were several factors for informants to participate in that particular network (Roma), such as time of the year, geographical location of event, weather and also interesting international members that prevent the company traveling around the world. These factors were interesting discovery, since it has not been introduced in literature before.

All the informants highlighted the importance of face-to-face meeting. They claimed if the communication is honest and open then it is the best way of interaction. Beneath, in the dialogue, two persons may then share common narratives, visions, and mindsets, can approach to build up cognitive trust (McAllister, 1995; Naphiet & Ghoshal, 1998). Therefore during the further cooperation, both sides try to observe the other side’s trustworthy behaviors. If the members could increase the face-to-face interaction, so the interaction will be memorable and meaningful for both (Abrams et al., 2003).

Grounded by the findings, both employees and managers mentioned that network is a valuable tool to make connections and contacts that will be beneficial for them sooner or later. They experienced to make friends and liable business partners from networks events. However, not necessary immediately the connection happens after networks event, and there is not a clear time interval between the network and second contact afterwards. Nevertheless, exchanging the business card can be considered as weak ties that have been defined by Granovetter (1983). Therefore the networks can act as a platform to make weak ties in early stage, that without these ties, the different knits, or cliques, of close friends would not have been connected subsequently (Granovetter, 1983). Informants claimed that the weak ties could play an important role in near or far future in the business, this can be supported by Abrams et al. (2003) statement, that the most efficient relationships, seem to be trusted weak ties.

The informants claimed that to make connection in a network with a low number of participants in relatively small hall is easier rather than a huge event. According to Krough (2000) the best context for creating connection is small groups and informants incidentally confirmed this fact, since it was easier for them to communicate with members. Apart from the number of members and the size of events, the informants claimed that there is no language barrier in the maritime industry anymore. English is the well-developed language in the industry that all members are adapted to it. In contrast dealing with some cultural differences in business is still a problem. Thus the richness and collectiveness of communication in terms of language skills in this study is not a problematic issue.

Network as a third party who arranges the events and invite members includes ambiguities from informant point of view. To investigate who are the other members and their background is a time consuming process, however in domestic networks its easier to access information but regarding international ones its more difficult. That could be a possible reason for informants to skip attending of some far away network events, which consume money and time with out presenting sufficient information for estimating the possible outcome. Even though the informants considered believing that experiencing the surprises is what makes networks attractive, but at the same time the network's cost, topic and location has to be logical and relevant for them to attend it.

5.3 Theoretical Contribution to the Innovation Literature

During the interviews, questions about innovation were asked and seven out of nine informants said that the company is not considered innovative, because they are not dealing with technology. So the researcher defined various kind of innovation to make it clear that innovation is not necessarily technological development. After that, the informants changed their answers and said the company is innovative in terms of entering new market like India and planning to enter in Middle East (Dubai) for the first time.

Grounded by Schumpeter's (1934) explanation, one case of innovation is opening or expanding the business in new market. However, before entering the new market the company has done several market surveys to evaluate the idea of expansion, and this requires having liable source of information. In order to access the external resources, the company attended many relevant events, or in networks, with members who may be helpful for the company's goals. As Fleming and Marx (2006) believed that individual creativity matters less for innovation than strong and liable connections. Thus the company obtained benefit from its weak ties from networks participation from the past and keep on being active, to be able to combine information and obtain the required knowledge which is potentially useful and possible to implement (Amabile, 1988).

As some informants mentioned, the main source of innovation for the company is in concrete the networking, which includes the internal and external networks (Dyer et al., 2006). Even though the initial idea of expansion might come from individuals but in order to implement it, the necessary information needs to be gathered and evaluated, and this is viable via good resources and teamwork.

The manager explained that even if the company is not in the technical sector of maritime industry, their market is directly depending on radical and incremental innovation in the whole industry. Therefore, in order to keep themselves very up to date, the company has close relation to the key players in different segment of maritime industry such as shipbuilding companies, classification societies, and offshore companies. These close relationships have sometimes helped them to diagnose some radical changes earlier than competitors in the market so they were able to take a right reaction, thus it ends in having valuable competitive advantage.

5.4 Theoretical Contribution to the Absorptive Capacity Literature

Participating and contribution in networks provide the company with access to external knowledge and resources. The access can bring benefit for the company if, the knowledge and resources are implemented. However, the individual employee and organization's ability to absorb the knowledge and resources have impact on innovation and performance (Soo, Devinney, Midgley, & Deering, 2002). Zahra and George (2002) presented a model for absorptive capacity ‘s construct with four dimensions; acquisition, assimilation, transformation and exploitation. In order to have an impression about the company's absorptive capacity, relevant question based on the four dimensions were asked.

The company's record showed that, they have been very proactive in a sense of obtaining external information due to their strong connection with key players in the industry. This reflects on the company's *acquisition* dimension of ACAP. In other words the company has visible ability to identify the knowledge from external sources (Zahra & George, 2002). According to the *assimilation* dimension of ACAP, the company has well-experienced staff who have solid information analyzing and interpreting skills. Based on the company's good reputation, it may be perceived that, the managers and employees have the ability of understanding and developing the externally acquired knowledge (Zahra & George, 2002). The third dimension of ACAP is *transformation,* which refers to the company's ability of refining and developing the routines that facilitate combining the existing acquired and assimilated knowledge. As some informants specified, they use in the network event as a tool to obtain knowledge and combine it to create their own conclusion. Three managers have also indicated during the interviews that the power is evenly distributed in their company like most of Norwegian organization. Therefore, employees easily share new ideas with collogue or managers. As a consequence, the flat power platform of organization can potentially facilitate the transformation process of absorptive capacity (Zahra & George, 2002). In respect to the last dimension, *exploitation*, most of informants mentioned that their team working capability make this step effective and people can handle the new changes easier. This is consistent with what del Carmen Haro-Domínguez (2007), that the company has to have the capacity of improvement for expanding and using existing routines competence to create something new based on the transformed knowledge.

5.5 Summary of the Discussion

The discussion is summarized in table 3. The table organizes the findings according to the different theories, and if the findings are supported, or not supported by existing theory. The findings not supported by existing theory may represent contributions to develop new theories.

Table 3

Outline of findings in relation to theory

Theory	**Findings supported by theory**	**Findings not supported by theory**
Network participation (Organizational and personal lever)	Obtaining access to new market (Pittaway, 2004) Pooling complimentary skills (Pittaway, 2004) Access to external knowledge (Pittaway, 2004) Formal & informal cooperation (Kingsley & Malecki, 2004) Trust building (Gausdal,2012) Exchange business card (Lampel & Meyer, 2008) Communication channel (Lampel & Meyer, 2008)	Access industry news Negotiation practice Presentation practice Development of existing relationship Personal enrichment Business benefit from non-business network event Learning process for fresh employees
Innovation	Incremental innovation (Tidd & Bessant, 2014) Entering new market (Shumpeter, 1934) Networks and events as source of innovation (Tidda & Bessant, 2014)	Quick to recognition of the technological innovation in the industry count as competitive advantage
Absorptive capacity	Following the dynamic of networking to absorb info (Pittaway, 2004) Rich in capabilities and competences (Zahra & George, 2002) Acquisition, assimilation, transformation, and exploitation are considered (Zahra & George, 2002).	Open to share some personal life Low power distance makes communication easier in the company
Network event quality	Smaller group in event are more efficient than larger group (Gausdal, 2008) Decent mix of competitors and clients participants (Nootboom, 2000) Trust and transparency between participant network manager (Burt, 2001;Ferrin &Driks, 2006) Combination of formal and informal program (Svare, Gausdal, Mollering, 2014)	Time of the year Weather Size of the event hall Distance (location) Costs (traveling, fee, hotel, etc.)

6. Conclusions and Limitations

In this chapter concluding remarks, limitations and suggestions for further study has been presented.

6.1 Concluding Remarks

This study deals with the benefits of network participation from maritime organizations perspective. In order to have an overview of the concept, innovation, network qualities and absorptive capacities are reflected.

This study is generalizable to theoretical propositions; due to explorative aims, however, the objective is not to investigate all the facts of all the processes and benefits but relatively to illuminate some of them. This does not compute any numbers and frequencies, thus statistical generalizations cannot be contributed. However, by presenting relevant theories, which has been expanded by method of a single case, this study provides analytical generalizations (Yin 1984).

The first research question of the study is: *What are the core benefits of network participation for a maritime company?* This study reveals that networks are valuable communication channel for organizations that they can benefit by knowledge sharing, having access to industry news, and innovation approach. Moreover it discovered that network participation is an appropriate mean for negotiation practice, trust building, contact building, and developing existing relationships. Nevertheless, the four dimensions of absorptive capacity have to be taken into account in order to achieve the potential benefits and it consequently facilitates the process innovation.

The second research question of the study is: *Which qualities of network events influence the benefits for the participants?* The main findings shows that, transparency of network and participants, diverse range of participants, combination of formal and informal program, weather, time of the year, geographical location, size of the event hall, number of participants, age range of participant, and cost of attendance are the key factors to evaluate the quality of a network event.

In addition to research questions, two sub-questions are also answered in the study. The first sub-question is: *How does the networking dynamic function in an event?* The answer simply is, to obtain something you need to provide something. In the context of brokering, the participants need to share more market analysis and information to attract the partner's interest. However, the company by giving speech contributes to the network dynamic as a whole. The second sub-question is: *What is the connection between expectations, opportunities and benefits for attending a particular network?* The study shows that expectations vary from network to network and from event to event. However the company has the network strategy, but there is no a clear expectation behind every participations. Thus any potential outcome considered as a surprise, which makes the networks attractive. Furthermore, the study shows that the benefits of network (event) are not necessary corresponding the topic of it.

Some of the findings such as, access industry news, negotiation practice, presentation practice, development of existing relationship, personal enrichment, business benefit from non-business network event, and learning process for fresh employees are, however, not supported by existing theory. Furthermore, time of the year, weather, size of the event hall, distance, and costs are quality factors that, are not supported by existing theory as well. The systematic different answers from managers and employees is neither illuminated in existing theory. These findings therefore represent possibilities for developing theory, and hence a contribution of the thesis.

This study has theoretical and practical implications. It contributes both to the theory of source of innovation and to the theory of network principal benefits. It extends the principal benefits listed by Pittaway at. al. (2004). Moreover, the study supports the theory of trust building process in the context of networking by recognizing the significance of face-to-face interaction and trustworthiness behavior. The practical implication relates to the question of how to improve the benefit accomplishing from the network participation at both personal and organizational level. Hopefully this thesis can be a guideline for companies and network managers, which may lead to more focus and better network participation in order to obtain benefits.

6.2 Limitations and Suggestions for Further Research

This study has some limitations that provide fruitful suggestions for further research. First, the possibility of generalization of the findings might be limited, since the data gathered comes from a single company within the maritime industry. Second, there were six employees and three managers informants; therefore the findings might not fully cover the managers' interpretation about networking due to limited amount of them. Besides, the sample size was relatively small, which could have been expanded by including more interviews. Third, cultural and language impact on core network benefit have not been analyzed because all the informants were Norwegian and fluent in English. Thus including a group with diverse nationalities would have benefited the findings. Fourth, supporting the findings by a quantitative study would have strengthened the abilities for generalization.

A remarkable discovery in the literature review is that theory on quality factor of networks from members' point of view is scarce. Further research on network benefits and quality factors is needed.

7. References

Abrams, L.C., Cross, R., Lesser, E., & Levin, D.Z. (2003). Nurturing interpersonal trust in knowledge-sharing networks. Academy of Management Executive, 17(4), pp. 64-77.

Acs, Z. J., Morck, R.K. & Yeung, B. (2001) Entrepreneurship, Globalization and Public Policy, *Journal of International Management* 7 (3), pp. 235-251.

Argyres, N.S. (1999). The impact of information technology on coordination: Evidence from the B-2 ‘Stealth’ bomber. Organisation Science, 10(2), pp. 162□180.

Ahuja, G. (2000). The duality of collaboration: Inducements and opportunities in the formation of interfirm linkages. *Strategic management journal*, *21*(3), 317-343.

Alvesson, M., & Sköldberg, K. (2009). *Reflexive methodology: New vistas for qualitative research* (2nd ed.). London, England: Sage Publications.

Amabile, T.M. (1988) A model of creativity and innovation in organizations, *Research in Organizational Behavior* 10, 123-169.

Amabile, T.M., Conti, R., Coon, H., Lazenby, J. and Herron, M., (1996). “Assessing the work environment for creativity”, *Academy of Management Journal*, 39, 1154-1184.

Barney, J. B. (1995). Looking Inside for Competitive Advantage. Academy of Management Executive, Vol. 9, Issue 4, pp. 49-61

Best, J. W., & Khan, J. V. (1986). *Research in education* (5th ed.). Englewood Cliffs, N.J.: Prentice Hall.

Brinkmann, S., & Kvale, S. (2008). Ethics in qualitative psychological research. *The Sage handbook of qualitative research in psychology*, *24*(2), 263-279.

Bryman, A., & Bell, E. (2011). *Business research methods 3e*. Oxford university press.

Burt, D. R. (2001). Bandwidth and echo: Trust, information, and gossip in social networks.

Charles, C. M. & Mertler, C. A. (2002). *Introduction to educational research* (4th ed.). Boston, MA: Allyn and Bacon.

Cohen, W.M., Letvinthal, D.A., 1990. Absorptive capacity: *a new perspective on learning and innovation*. Administrative Science Quarterly 35 (1), 128- 152

Creswell, J. W. (1998). *Qualitative inquiry and research design: Choosing among five traditions.* Thousand Oaks, CA: Sage Publications.

del Carmen Haro-Domínguez, M., Arias-Aranda, D., Lloréns-Montes, F. J., & Moreno, A. R. (2007). The impact of absorptive capacity on technological acquisitions engineering consulting companies. *Technovation*, *27*(8), 417-425.

Diener, E., & Crandall, R. (1978). *Ethics in social and behavioral research*. U Chicago Press.

Dodgson, M., Gann, D. M., & Salter, A. (2008). *The management of technological innovation: strategy and practice*. Oxford University Press.

Dyer et al., (2006) Determinants of Success in R&D Alliances, National Institute of Standards and Technology. Technology Administration, U.S. Department of Commerce

Eisenhardt, K. M., and Graebner, M. E. (2007). ‘ Theory Building from Cases: Opportunities and Challenges’, *Academy of Management Journal*, 50 (1): 25-32

Erickson, C. L., & Jacoby, S. M. (2003). The effect of employer networks on workplace innovation and training. *Industrial & Labor Relations Review*, *56*(2), 203-223.

Ferrin, D. L., Dirks, K. T., & Shah, P. P. (2006). Direct and indirect effects of third-party relationships on interpersonal trust. *Journal of applied psychology*, *91*(4), 870.

Feldman, M. S., & Orlikowski, W. J. (2011). Theorizing practice and practicing theory. *Organization Science*, *22*(5), 1240-1253.

Fleming, L., Marx, M. (2006) managing creativity in small worlds, California management review vol 48 pp 6-27

Gales, L. M., & Boynton, A. C. (1992). Information ties and innovation management: A qualitative assessment of information processing and the strength of weak ties. *The Journal of High Technology Management Research*, *3*(2), 169-188.

Gausdal, A. H. (2012). Trust-building processes in the context of networks. *Journal of trust Research*, *2*(1), 7-30.

Gausdal, A. H. (2008). Developing regional communities of practice by network reflection: the case of the Norwegian electronics industry. *Entrepreneurship and Regional Development*, *20*(3), 209-235.

Gausdal, A. H., Hildrum, J. M., & Gustavsen, B. (2014). Translating knowing that into knowing how: The case of trust in regional network building. *International Journal of Action Research*, *10*(1), 8-33.

Golafshani, N. (2003). Understanding reliability and validity in qualitative research. *The qualitative report*, *8*(4), 597-607.

Granovetter, M. (1983). The strength of weak ties: A network theory revisited. *Sociological theory*, *1*(1), 201-233.

Guba, E. G, & Lincoln, Y. S (1982, Winter). Epistemological and methodological bases of naturalistic inquiry. *Educational Communications and Technology Journal*, 232- 252.

Hantrais, L. (1996). 'Comparative Research Method', *Social Research Update*, 13.

Hargadon, A., & Sutton, R. I. (1999). Building an innovation factory. *Harvard business review*, *78*(3), 157-66.

Hobday, M., H. Rush, and Bessant, J (2005*). Reaching the innovation Frontier in Korea: A New Corporate Strategy Dilemma, Research Policy*, 33 1433-1457

Human, S. E., & Provan, K. G. (2000). Legitimacy building in the evolution of small-firm multilateral networks: A comparative study of success and demise. *Administrative Science Quarterly*, *45*(2), 327-365.

Ibarra H., Hunter M., How leaders create and use networks, Harvard business review 2007

Inzerilli, G. (1990). The Italian alternative: flexible organization and social management. *International Studies of Management & Organization*, 6-21.

Jick, T. D. (1979). Mixing qualitative and quantitative methods: Triangulation in action. *Administrative science quarterly*, 602-611.

Kash, D. E., & Rycroft, R. (2002). Emerging patterns of complex technological innovation. *Technological Forecasting and Social Change*, *69*(6), 581-606.

Kaufmann, A., & Todtling, F. (2000). Systems of innovation in traditional industrial regions: the case of Styria in a comparative perspective. *Regional Studies*, *34*(1), 29-40.

Kennedy, S. I. T. (1976). Sequence relationships between the genome and the intracellular RNA species of standard and defective-interfering Semliki Forest virus. *Journal of molecular biology*, *108*(2), 491-511.

Kingsley, G., & Malecki, E. J. (2004). Networking for competitiveness. *Small business economics*, *23*(1), 71-84.

Kitching, J., & Blackburn, R. (1999). Management training and networking in small and medium-sized enterprises in three European regions: implications for business support. *Environment and Planning C*, *17*, 621-636.

Koch, C. (2004). Innovation networking between stability and political dynamics. *Technovation*, *24*(9), 729-739.

Kramer, R. M. (1999). Trust and distrust in organizations: Emerging perspectives, enduring questions. *Annual review of psychology*, *50*(1), 569-598.

Krogh, G.v. (1998). Care in knowledge creation. California Management Review, 40(3), pp. 133-153.

Krogh, G. v., Ichijo, K., & Nonaka, I. (2000). *Enabling knowledge creation: How to unlock the mystery of tacit knowledge and release the power of innovation*. Oxford: Oxford University Press.

Kvale, S. & Brinkmann, S. (2009). *Interviews: learning the craft of qualitative research interviewing* (2n ed). Thounsand Oaks, CA: Sage

Lampel, J., & Meyer, A. D. (2008). Guest editors' introduction: Field-configuring events as structuring mechanisms: How conferences, ceremonies, and trade shows constitute new technologies, industries, and markets. *Journal of Management Studies*, *45*(6), 1025-1035.

Lincoln, Y. S, & Guba, E. G (1985). *Naturalistic inquiry*. Bervly Hills, CA: sage

Martela, F. (2012). *Caring connections – Compassionate mutuality in the organizational life of a nursing home* (Doctoral dissertation). Aalto University. 144/2012. Espoo Finland: Aalto University publication series.

McAllister, D. J. (1995). Affect- and cognition-based trust as foundations for interpersonal cooperation in organizations. *Academy of Management Journal*, *38*(1), 24-59.

McCracken, Grant (Ed.). (1988). *The long interview* (Vol. 13). Sage.

Miles, M. B. Huberman, Michael A. & Saldaña, Johnny (2014). *Qualitative Data Analysis. A Methods Sourcebook.*

Nonaka, I., Toyama, R., & Konno, N. (2000). SECI, ba and leadership: *A unified model of dynamic knowledge creation. Long Range Planning*, 33(1), pp. 5-34.

Nooteboom, B. (2000). Institutions and forms of co-ordination in innovation systems. *Organization studies*, *21*(5), 915-939.

Pettigrew, A. (1990). 'Longitudinal field research on change: Theory practice', *organization science,* 1 (3): 267-92

Pittaway, L., Robertson, M., Munir, K., Denyer, D., & Neely, A. (2004). Networking and innovation: a systematic review of the evidence. *International Journal of Management Reviews*, *5*(3-4), 137-168.

Porter, M. E. (2011). *Competitive advantage of nations: creating and sustaining superior performance*. Simon and Schuster.

Ringdal, Kristen. (2007). *Enhet og mangfold: samfunnsvitenskapelig forskning og kvalitative metode*. Bergen: fagbokforl

Rothaermel, F. T. (2012). Strategic Management: Concepts and Cases. McGraw-Hill/Irwin, p. 91

Schumpeter, J. (1934) *The Theory of Economic Development.* Cambridge, MA: Harvard University Press, Ch. 2, 57-94.

Senge, P. M. (2014). *The fifth discipline fieldbook: Strategies and tools for building a learning organization*. Crown Business.

Soo, C., Devinney, T. M., Midgley, D., & Deering, A. (2002). Knowledge management: philosophy, process, and pitfalls.

Szulanski, G. (1996). Exploring internal stickiness:Impediments to the transfer of best practice within the firm. *Strategic Management Journal*, 17, 27-44.

Thompson, Victor A. (1965), Bureaucracy and Innovation, *Administrative Science Quarterly*, (10, 1) 1-20.

Tidd, J., Bessant, J. (2014). *Manageing Innovation* (5th ed). United Kingdome: Wiley

Tsai, W.P., & Ghoshal, S. (1998). Social capital and value creation: The role of intrafirm networks. Academy of Management Journal, 41(4), pp. 464-476.

Uzzi, B. (1997). Social structure and competition in interfirm networks: The paradox of embeddedness. *Administrative science quarterly*, 35-67.

Walker, G. (1988). 'Networks analysis for cooperative inter-firm relationships'. In F. Contractor and P. Lorange (eds.), *Cooperative Strategies in International Business.* Lexongton Press, Lexington, KY, pp. 227-240.

Werker, C. (2000). *Market performance and competition: a product life cycle model*. Ernst-Moritz-Arndt-Univ. Greifswald, Rechts-und Staatswiss. Fak..

Yin, R. K. (2009). *Case study research: Design and methods* (4th ed.). Thousand Okas, CA: Sage.

Zahra, S. A., & George, G. (2002). Absorptive capacity: A review, reconceptualization, and extension. *Academy of management review*, *27*(2), 185-203.

Zucker, L. G. (1986). Production of trust: Institutional sources of economic structure, 1840–1920. *Research in organizational behavior*.

Appendix A- Interview guide

1. How long you have been working in this company? Can you briefly describe your background and your position and department in this company?

2. Do you participate in any networks at formal or informal level?

3. Why do you attend these particular networks? Is there any conscious behind?

- Can you please give an example?

4. If you would list benefits of the networks you engaged, what would it be?

5. What do you see as a good quality network?

6. How important do you see the quality of network itself in relation to outcome?

7. Before becoming a member of specific networks what are your exceptions to be met?

8. Please clarify when do you expect to meet your exception after attending an event?

9. Have you experienced surprising benefits, benefits that you did not expect?

- Can you please give an example?

10. As a member of networks what to you do to collaborate and how important you see the personal communication skills?

11. Do you have clear strategy and goals toward networking behavior in you company?

12. How do you evaluate your company in terms of innovation?

- Do you see reflection of networks participation on innovation in you company?
- Have you experienced a radical change or its most incremental changes?

13. How much support do you get from upper management in respect to new opportunities and possibilities that you face by networking?

- How do you see your company's power distribution and adaptation to changes in market?

14. Do you attend some networks as a personal choice, or it is mostly company's force?