A Strategic Perspective on Facilitation of Network Approaches: Emerging Network Structure and Adaptive Systems in Internationalisation of Indian Firms

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Attestation of Authorship

I hereby declare that this submission is my own work and that, to the best of my knowledge and belief, it does not contain material that has been previously published or written by any other author (except where explicitly acknowledged) or any content which to a substantial extent has been submitted for the award of any other degree or diploma from a university or other institute of higher learning.

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Abstract

Internationalisation by firms in India is in a nascent stage; however these firms are making rapid progress due to changes in government policies in this region. This has led to diverse opportunities for Indian firms in markets, as well as products, which previously were unexplored. The Indian firms have a high familiarity with network strategy in their domestic operations; however in the international context a network approach is challenging both in terms of geographic and “Psychic distance” (Freeman, Hutchings, Lazaris & Zyngier, 2010). Psychic distance is the extent of distance between the internationalising firm and the host country firm in terms of their familiarity with business operations and cultural factors (Brewer, 2007).

The traditional approaches fail to explain internationalisation from the context of the co-development of the economy as well as from an emerging market perspective. Also, existing literature has not examined the distinct mechanisms that bridge the gap between Eastern and Western network partnerships from an Eastern perspective. In view of these gaps in existing research there is need for a model that links the areas of adaptation with the types of partners, either proximate or distant, or those who experience internationalisation challenges.

The conceptual framework suggested in this study draws a comparison between the level of investment that internationalising Indian firms need for network adaptation with proximate versus distant partners to achieve linkage, leverage and learning gains in internationalisation through networks. This study explores Indian firms’ internationalisation specifically with distant network partners using a qualitative multiple case study analysis. Data was collected from six Indian companies which are internationalising with advanced network partners. The data, collected through a sequential e-mail interview process, explored the constructs in the conceptual framework. The constructs relate to adaptive mechanisms over information exchange, strategic monitoring, cultural and institutional factors with distant network partners. The constructs also included the level of investment in adaptation to build trust-based network relationships and benefits for internationalisation in terms of linkage, leverage and learning.

The study results suggest that institutional rather than cultural factors are the major challenges in network relations for Indian firms with advanced market partners. The
minimal impact of culture may be due to the familiarity and experience of the founders of the Indian firms in this study in dealing with advanced markets. However, although the study reveals that cultural differences impact on trust building within the network, the main reasons for the cultural differences relate to underlying institutional differences. Indian firms use contractual rather than the traditional Indian network approach of relational links to cope with the differences with advanced network partners.

The study indicates that Indian firms need to create acceptance by the advanced market firms, due to pre-existing negative attitudes towards India and other factors such as newness of the Indian firm. The major reasons for the high level of investment in adaptation relate to the above institutional factors. The study highlighted that the innovative characteristics and international reputation of the founders of an Indian firm may give such a firm an ability to network effectively and become a valued contributor in networks with advanced market partners. These factors may alleviate the necessity for such a firm to make investments in adaptation. The study findings indicate that linkage, leveraging and learning are the benefits that accrue through strong network relations built through adaptation by the Indian firms in their internationalisation into advanced markets. The study has implications for emergent theory in the field of internationalisation from an Eastern perspective and also has strategic implications for practicing international business managers worldwide.
Glossary

**Adaptive mechanisms**: coping or adjusting processes and functions

**Born Globals**: firms that internationalise right from their birth

**Constant information exchanges**: a regular and continuous process of information exchanges

**Cultural Proximity**: familiarity of country culture

**Legitimacy**: creation of acceptance of operations, products and processes of the organisation by other organisations that it deals with

**Mutuality based exchanges**: exchanges that focus on the interests of all the partners in the network

**Proximity**: extent of familiarity

**Psychic distance**: familiarity of business and culture

**Relational gains/rents**: synergy gains due to contribution and collaboration of all network firms

**Transparent exchanges**: open sharing of information between network partners without any hidden agendas

**Traditional network approaches**: Traditional network approaches in this study signifies that inter-organisational networks in emerging country markets are more personal and embedded (i.e. over-lapping with other networks in society)

**Network capital gains**: gains within the network created through exchanges based upon rational business goals

**Network social gains**: gains within the network created through exchanges based upon sociability and social expectations

**Non-traditional network approaches**: In Western markets network approaches are more impersonal and confined to the business sector, an interaction approach that is
significantly different from the personal and embedded approaches of an emerging market firm. An impersonal approach would signify a non-traditional approach for an emerging market firm.

**Stereotyping**: firms basing their analysis of a prospective partner from emerging markets upon national institutional patterns and perceiving them as having similar characteristics.

**Theoretical sufficiency**: which refers to building up and designing constructs as they arise from the problem that is being studied.
Chapter 1. Introduction

1.1. Context of the Study

Indian businesses are experiencing change in their environment, in the form of deregulation of the economy towards enabling market oriented approaches. Also, with the global economy looking more positively towards firms from emerging markets, this augurs well for Indian firms (Gammeltoft, Filatotchev & Hobdari, 2012b). This dual change of government policies within India, and the global economy viewing India more positively, has generated opportunities and challenges for Indian businesses to redesign their strategies and explore growth in international markets (Elango & Pattnaik, 2007; Ramamurti, 2010; Gammeltoft et al., 2012b). However, Indian firms are constrained by lack of experience in operating in market oriented nations, especially advanced nations (Elango & Pattnaik, 2007; Gammeltoft et al., 2012b). Furthermore, in studies relating to organisational responses to institutional evolution, it has been found that transition economy organisations are more responsive in market oriented conditions when they have avenues to obtain knowledge from outside sources (Yiu, Bruton & Lau, 2005; Kriauciunas & Kale, 2006). However, studies also indicate that some of these firms have achieved phenomenal success through technological innovations assisted by their new partners from advanced markets (Mathews, 2006). Also increased globalisation combined with the growth of emerging aggressive multinationals has become a driving factor for firms to seek linkages rather than go-it-alone in the global economic arena (Mathews, 2006).

According to Gammeltoft et al. (2012b), the role of firms from the emerging market countries in the global economy is increasingly on the rise and this is likely to reshape the global competitive map. They emphasise that the greater participation from emerging markets has heightened the need for studying the integrating strategies of the emerging market firms aiming to link institutional, social and psychic distances between their home and host markets. It is in this context that studying the role of Indian firms with diverse networks both from proximate as well distant partners in their internationalisation would add to international business theory from this region.
1.2. Historical Background of India’s Internationalisation

Indian firms while moving beyond domestic boundaries are in search of a strategic approach that would enable them to gain competitive advantage. According to Kedia, Mukherjee and Lahiri (2006), in the domestic market Indian business groups have a high familiarity with both formal and informal network approaches. Therefore a networks approach in the international context could be the source of competitive advantage for Indian firms. The international markets for Indian firms are situated in regionally and culturally closer countries like China, Malaysia, Indonesia, and Sri Lanka as well as in geographically and culturally distant countries like the U.S.A, U.K, Australia, and New Zealand. Also it has been widely acknowledged that Western countries are contractual and seek capital gains from network ties (Carney, 2005; Dieleman & Sachs, 2006; Huggins & Johnston, 2010). Contrary to this, according to Khatri, Tsang and Begley (2006), the businesses from Asia seek relational rents from their network ties. The differences in institutional setting and cultural patterns impact on the approaches used by organisations from different parts of the world as to how they operate within networks.

The review of both network strategy and internationalisation fields reveals that there is extensive literature in this domain; however there are limited studies that have explored the processes adopted by firms in generating and maintaining diverse network linkages. Studies of inter-organisational collaborative linkages have emphasised the role of proximity; however Knoben and Oerlemans (2006) indicate the vital need to clearly define the principle of proximity. In inter-organisational linkages the extent of collaboration is facilitated by the pre-existing situation of proximity, according to Knoben and Oerlemans (2006). The Silicon Valley is a case in point with three dimensions of proximity that are geographical, organisational and technological lending the region access to knowledge sharing and consequent innovation. Drawing on the concept of proximity (Knobens & Oerlemans, 2006), this study aims to analyse the ease in building international linkages when proximity exists and the challenges due to non-proximity of network partners in the context of internationalisation of Indian firms. This study is based on the proposition that Indian firms in their international linkage strategy
use a diverse combination of networks involving proximate partners or distant partners, and hence need to address the question of suitable adaptive mechanisms being in place within the network operations.

According to Child and Tse (2001) firms face challenges when their business environment changes and they are interacting with international firms. Also Zhou, Yim and Tse (2005) propose that international firms face increased challenges, as each market is different from another. Overall the difference is seen as a greater challenge as the culture and identity of each country is distinct (Raina & Pillania, 2008; Dana & Wright, 2009). The argument that develops is that different network patterns would include similarity or diversity in terms of national culture and institutional characteristics, demanding a different system of adaptive mechanisms to make the linkages operational and successful.

Based on the above argument, the aim of the study is to contribute to theory and identify the adaptive mechanisms that would be demanded in diverse international linkages that would be used by Indian firms. Furthermore, the study aims to describe the facilitation of strong network relations in the internationalisation of Indian firms based upon Dyer and Singh's (1998) framework of collaborative mechanisms and the Johanson and Mattsson (1987) interaction – adaptation network model. The dimensions of non-proximity in terms of geographical, cultural and institutional dimensions introduce the need for specific adaptive systems. The national cultural dimension is explored through specific adaptive tools suggested by Batonda and Perry (2003). According to Gammeltoft et al. (2012b) creating a fit between advanced institutional infrastructure, systems and processes of firms from advanced nations also enters within the context of internationalisation of Indian firms.

The scope of the study includes the particular challenges of negative stereotyping and creating legitimacy owing to the emerging character of the Indian market in terms of the institutional dimension of non-proximity. According to Bangara, Freeman and Schroder (2012) the creation of acceptance and countering negative stereotypes are critical factors for Indian firms due to their late entry into international markets and also due to the recent liberalisation of the Indian economy. Furthermore, according to Elango and Pattnaik (2007), Indian firms were operating in a protectionist environment prior to the first major liberalisation in 1991, due to which their products and services were mostly
based upon domestic situations, rather than in international contexts, suggesting a lack of familiarity with mechanisms in force in advanced markets. However they would be very familiar with other developing markets which were operating under similar protectionist environments.

1.3. Purpose and Relevance of the Study

This study aims to address an overarching question: “What is the role of adaptive mechanisms (need and relevance) in the network strategy of an internationalising Indian firm?” The following three sub questions emerge in this context:

1. What is the role of adaptive mechanisms (need and relevance) in the choice of network structure relating to collaborating partners from culturally and institutionally similar or dissimilar backgrounds?

2. Do adaptive mechanisms have an impact on the level of investment the firm has to make to maintain the network relationship?

3. What are the outcomes of the investment made in the adaptive mechanisms on the following?
   a. The nature of linkages that develop between the network partners.
   b. Benefits for the firm from leveraging the linkages in their international markets.
   c. Facilitation of the internationalisation process through the learning that occurs.

The study aims to develop a model from responses to research questions, based on network combinations of geographically distant partners. While including regionally similar partner networks would have been desirable, due to limitations of time and financial resources this study examines in depth only one network combination, that is networks between Indian and Western counterparts.

This study addresses a gap in literature on internationalisation of emerging market firms and the nature of adaptation in their network strategies. According to Ramamurti (2009), there is a dearth of international business literature on the Eastern perspective,
as the existing literature is dominated by a Western perspective on internationalisation. International business literature has identified the first wave of internationalisation as having occurred between large companies from Europe and the USA until the 1960s, followed by the second wave of internationalisation from large companies, initially from Japan and then South Korea, into world markets as well as MNCs from the West into East Asia during the early 1970s. Currently international business literature is focused on the third wave of internationalisation; essentially the activity of firms from the emerging markets entering onto the global platforms and the Western MNCs’ recognition of the role of the businesses as well as the markets from these regions (Jansson, 2007b). Furthermore increasing globalisation suggests that the developing nations’ firms which are labelled as newcomers or latecomers may be designing new approaches that will define future global business strategies (Mathews, 2006; Barlett & Ghoshal, 2000 & Sinha, 2005 as cited in Mathews, 2006). According to Mathews (2006), the relevant issue in international business is to explain the success of firms from the Asia-Pacific region in the international scene, especially since they are late entrants and lack resources. These previous studies have highlighted the non-traditional approaches the newly internationalising firms are using. This study extends the research from the emerging markets perspective and analyses the nature of investments these firms have made towards the strengthening of their collaborative linkages in the process of their internationalisation.

1.4. Structure of the Study

This chapter has introduced the area of study, the background and the transition involved in the area of internationalisation in the context of Indian firms. It highlights the emerging nature of study in this area. It is followed in the next chapter by a review of literature on the topic, which explores the two concepts of internationalisation and network strategy on which this study is based. The chapter reviews the various models of internationalisation and network relationship building. The literature reviewed also explores the conceptual and empirical work on network partners from institutionally, culturally and regionally proximate and distant markets, and the role of adaptive mechanisms in these contexts.
Chapter Three builds upon the models of internationalisation and network strategy reviewed in Chapter Two, to establish the theoretical constructs that would emerge in the context of building network relations. The chapter establishes the propositions and the conceptual framework on which the study is based. Chapter Four outlines the research methodology adopted in the study to achieve the purpose of this research. A qualitative multiple case study based approach involving e-mail interviews conducted among a selection of Indian firms was adopted for the study. The analysis of the interview data was based upon Miles and Huberman’s (1984) approach to analysing qualitative data. This involves integrating the data from all sources, initial coding of the data, revising and redefining the initial codes with further analysis of the data. The data is presented in matrix tables and pattern codes are established, further identifying the emerging themes associated with the research constructs and selecting the most important themes based on their ability to answer the research questions.

Chapter Five presents the results from the data collection and Chapter Six discusses the major findings in the context of the theoretical models of internationalisation and network strategy. Chapter Seven draws major conclusions based upon the findings, outlines the theory generated by this study and applies it to the field of internationalisation from this region, as well as highlighting the benefits of the study to practicing international managers worldwide. Chapter Seven also discusses the limitations of the study. From this discussion areas for further study in this field are suggested.
Chapter 2. Literature Review

2.1. Introduction

This chapter focuses on the existing literature relating to network theory, adaptive mechanisms and internationalisation theory, these being the major conceptual foundations for the study. Firstly, network theory is reviewed, followed by analysis of the links between network, institutional, and spatial theories. This is followed by a review of existing theory on adaptive mechanisms in which network theory and adaptive mechanism concepts are examined to identify the links with internationalisation from the Indian context. This review provides the framework for the research propositions elaborated in the next chapter on the proposed model of diverse adaptive mechanisms in the emerging networks of Indian firms’ internationalisation.

In this study, Networks are defined from a strategic perspective of business firms entering into inter-firm partnerships based upon the firm’s internal abilities to engage, learn and create value through the partnership (Svejenova & Alvarez, 2007). Building the partnership includes the element of explicit co-ordination, including adjustments to cope with the ever-changing relationship. Adjustment is the key construct of adaptation discussed in the current study. Johanson and Mattsson (1987) suggest that adaptation may be in the form of joint planning and the creation of various types of bonds including technological, planning and functional, informational, and legal ties. To cater to the need for adaptation, the firm incurs costs of time, effort and resources. The level of adaptive mechanisms required constitutes the investment dimension included in the study (Johanson & Mattsson, 1987).

According to Elango and Pattnaik (2007) Emerging markets are countries characterised by rapid economic changes during the last decade and with increasing exposure to global markets and international competition. Internationalisation is viewed from a perspective of the firms from the emerging market of India entering global markets with a long-term commitment to stay, operate and establish a market position on the global platform. This view introduces the specific context of Indian firms having high risk and uncertainty in international markets. This is due mainly to having operated in a protected environment prior to 1991, as well as the operations of Indian firms being
isolated from international trends during that time (Elango & Pattnaik, 2007; Bangara, Freeman & Schroder, 2012).

2.2. Strategic Perspective on Networks

An analysis of network theory and the dynamics of network operations are presented in this section. This analysis facilitates the consideration of the role of network strategy in creating value between partners and ultimately gaining competitive advantage. Based on an understanding of these network dynamics, the concept of adaptive mechanisms is developed in subsequent sections.

Explaining the reasons for a firm’s competitive advantage has been a core element of the field of strategic management (Rumelt, Schendel & Teece, 1991). There have been diverse explanations from those that have focused solely on a firm exploiting external industry structures to gain competitive advantage (Porter, 1980), to that of a firm relying on its own internal resources and capabilities in its pursuit of competitive gains (Barney, 1991). Another perspective on competitive advantage is the inter-organisational connectivity, which is gaining increasing attention in the field of strategic management (Dyer & Singh, 1998; Gulati, Nohria & Zaheer, 2000). The network perspective of strategic advantage concerns a firm building inter-organisational links and creating value through these linkages. This connectivity is heavily dependent on the firm’s ability to introduce collaborative mechanisms which may be contractual or relational, in order for them to create value from the partners they have identified, and with whom they aim to engage, learn and re-learn (Svejenova & Alvarez, 2007).

The network studies span a widely diverse format of networks. This literature review reveals that the initial studies of networks delved into the concept of joint-collaborations (Kogut, 1988), followed by that of industrial market networks (Jarillo 1988, Dyer & Singh, 1998). Studies by Von-Hippel (1986) have focused on inter-organisational networks for the gains in innovation capability of the network members. In contrast, studies of the Japanese automobile manufacturer-supplier chains focused extensively on the local as well as international competitive gains of the Japanese automobile manufacturers from these networks (Lieberman & Asaba, 1997; Podolny & Page, 1998; Dyer & Nobeoka, 2000). These wide and varied earlier studies have demonstrated
amply the differences in the types of networks, and also that networks assist firms in
developing different competitive abilities.

Jarillo (1988) examined the concept of networks resulting in competitive superiority,
hence linking network theory with the discipline of strategic management. Johanson and
Mattsson (1987) in their studies on inter-organisational networks introduced the element
of network operation based upon a process of exchanges including adaptation. Dyer and
Singh (1998) highlighted the concept of joint operations being the reason for
competitive superiority, which would be unavailable to the firm on its own, as well as
being difficult for competitors to duplicate this relationship. While the literature in these
earlier studies, has promoted network gains, the question remains as to how firms are
building and operationalising these inter-firm networks.

More recently, the literature on network theory has focused on operationalising network
relations. Svejenova and Alvarez (2007) classify network operations along three
dimensions: the impact of network collaboration on the competitiveness and the success
of a firm’s operations (Jarillo, 1988); the interlink between inter-organisational learning
routines and the institutionalisation of these learning routines (Jansson, 2007a), linking
network theory to the institutional theory; and introducing the informal links and
connections that are established with the partners (Cross & Parker, 2004). The focus of
this study is on dimensions of learning within the network, and the institutionalising of
these learning routines and creating informal links.

How networks generate value has also been examined from various perspectives.
Nohria and Garcia-Pont (1991) focused on strategic groupings while Hamel, Doz and
Prahalad (1989) concentrated on generating learning and value creation through
strategic alliances. However, Zaheer and Venkatraman (1995) emphasised the trust built
between partners as the reason for value generation among network members. Gulati et
al. (2000) identified enhanced network resources as a key concept. This concept was
further developed by Huggins (2009) and Huggins and Johnston (2010) who classified
network resources according to social gains that are built through relationships, and
network benefits which are based upon economic benefits created in the network.
Keister (2009) presented the different perspective of value-generation in Chinese
networks that rely on personal relationships in network creation, and building trust
through which negative network activities such as opportunistic behaviours by network members are avoided.

2.3. Business Networks

Networks have been defined in different ways (Lemmetyinen, 2009); however for this study to arrive at a definition of business networks that symbolises the central dimension of networking in the context of business operations would be helpful. There has been a diversity of network forms ranging from alliances, franchising operations, manufacturer-supplier networks, joint-venture firms, firms and their outsourcing partners. They stretch horizontally across industries and sectors, vertically between customers, suppliers and competitors, and span domestic or international boundaries within a particular industry or across industries. Therefore, in terms of the scope of the network members, they are wide and varied. The defining element of business networks refers to long-term exchanges that create strategic gains for all the network members (Podolny & Page, 1998; Lemmetyinen, 2009; Gulati, et al., 2000). Competitive gains arise through value-addition by the network members in collaborating and creating a unique relationship including a mutual orientation that cannot be replicated by competitors (Johanson & Mattsson, 1987; Jarillo, 1988; Lemmetyinen, 2009).

According to Jansson (2007a) networks are defined in the context of the organisation rather than at the individual level. Networks operate to serve the inter-organisational purpose, organisations being groups of people linked through inter-organisational processes in order to facilitate the network purpose. The relational perspective applies at different interactional levels outside, or even within the firm, including industry-wide groups, inter-firm partners, intra-firm linkages as well as informal social organisational networks (Svejenova & Alvarez, 2007). According to Svejenova and Alvarez (2007) this classification of varied networks would be beneficial in helping to understand the dynamics of network operations. The relational perspective of the network introduces both the role of processes within the organisation and the people element, in the context of adaptive mechanisms that need to be introduced to build the network relationship.
2.4. How do Networks Generate Competitive Advantages?

Network theory derives from the sociological perspective; however with the works of Jarillo (1998), the first insights were made in connecting network theory to the strategic views of a firm’s competitiveness being achieved through collaborative efforts. This work was followed by Gulati et al. (2000, p.19) who emphasised the significance of network theory as a competitive tool stating that “the time was ripe to address the question of how strategic networks influence the relative profitability of firms”. According to Svejenova and Alvarez (2007) the network perspective contributes new insights into the nature of competitiveness and the differential competitiveness of a firm. They contended that because of the nature of organisational inter-relationships, a firm’s position within the network is inimitable and would take time and entail difficulty for another firm to replicate the same process of creating satisfactory exchanges that seal the network members in a strong bonding.

In a network the central firm gains competitive benefits, because the other firms perform some activities, giving the pivotal firm flexibility in these areas (Jarillo, 1988). Dyer and Singh (1998) propose a different perspective indicating that all the firms in the network benefit because of network relational gains. Relational gains are defined as synergetic gains due to the contribution and collaboration of all firms in the network. Access to innovation (Huggins & Johnston, 2010), quality improvements (Uzzi, 1997), enhanced capability for coping with risk and uncertainty, and quick access to market information (Powell, 1990 as cited in Podolny & Page, 1998) are potential gains through network knowledge transfer and network relations.

2.4.1. Role of Trust in Network Relations and Network Gains

The network view places high reliance on the benefits emerging from the high levels of trust and self-governing processes that are built into the interfaces between members (Dyer & Singh, 1998; Podolny & Page, 1998). This thinking ties in with the theory of social benefits (Huggins & Johnston, 2010) which proposes that knowledge gain, both explicit and implicit, happens because of the trust built between members. Williamson (1991) adds that the exchanges result in cost reduction, although he does not attribute the benefits to trust factors but merely to the interactions between members. Huggins,
(2009) in his classification of network resources as social and network-based, emphasises the differences in firms’ approaches in creation of trust and ultimately the type of gains that firms generate, based on various dimensions including geography, and size of the firm, as outlined in Appendix A. The different dimensions included by Huggins (2009) have not been elaborated here, as the focus is on the differences in the trust building approaches rather than the reasons for differences. These dimensions have been further examined by Jansson (2007a), highlighting the differences between Asian and Nordic counterparts in network trustworthiness.

Huggins (2009) makes a comparison between network and social capital based upon different dimensions of origin, systems, purpose and outcomes. According to Huggins (2009), network capital seekers, who exhibit similar exchange characteristics to those in Jansson’s (2009a) description of Western firms’ behaviour, base their exchanges on rational business goals. Similarly, the social capital seekers, who are akin to those in Jansson’s (2009a) description of Asian firms’ behaviour, display socially motivated interactions. The differences between capital and relational seekers also extend to trust building approaches, where capital seekers are deliberately motivated whereas social gains seekers blindly trust. Huggins (2009) contends that the two types are also spatially different; whereas capital seekers are not regionally dependent, social seekers tend to be regionally focused. Similar studies by Lorenzen (2007) also link social capital to geographical nearness.

Though these differences in approaches have been indicated by such studies, there is very fragmented literature on how these two approaches would be integrated in a network that includes members from both regions. Therefore there is need for research to study approaches that have successfully incorporated diverse trust building mechanisms in network relationships.

2.4.2. The Role of Knowledge-Acquisition in Network Resource Generation

Studies relate knowledge acquisition to the elements of trust and joint problem resolution between network members. According to Uzzi (1997), the depth of trust in joint problem resolution conditions the level of knowledge transfer within the network. Similarly, McEvily and Marcus (2005) propose that knowledge exchange and trust are preconditions for joint problem resolution. Wu (2007) identifies knowledge exchange as playing a mediating role for social gains and its dimensions of building trust, network
connectivity and long-term exchanges resulting in competitive advantages. However, the literature on this area of the topic is still in the early stages of development.

Accrual of relational rents requires the establishment of mechanisms that would ensure effective management of the firm’s networks (Johanson & Mattsson, 1987; Gulati et al., 2000). According to these authors, this involves introduction of specific routines to ensure knowledge exchange and also to make investments in relationship building. Most important is the need to arrive at a mutual understanding of expectations of each partner and to introduce adaptation within the partnership on an on-going basis. The inference is that network management involves generating an absorptive capacity, which according to Dyer and Singh (1998) is a firm’s ability to identify and absorb important information and knowledge from its partners to generate higher capabilities. Absorptive capacity focuses on creating learning from network members and the ability to collaborate effectively (Svejenova & Alvarez, 2007).

These studies highlight successful network operations as resulting from first creating the network and then for the network members to have or develop high absorptive skills through having the right people and processes specially allocated to create learning through the partnership (Johanson & Mattsson, 1987; Svejenova & Alvarez, 2007). Therefore a valid question for further study would be “what are the capabilities, processes and mechanisms that need to be instituted to ensure learning from network partners happens?” (Svejenova, & Alvarez, 2007). Hence, in the proposed study, the focus is on identifying the areas of adaptation based on the differences of national culture and institutional elements among network partners from diverse regions.

2.5. Networks in the Asian Region

2.5.1. Characteristics of Business Networks in the Asian Region

Establishing networks among domestic firms to enhance domestic operations has been a traditional approach of businesses from the Asian region. Extensive literature exists on the strength of Japanese inter-firm relations known as keiretsu (Cyer & Ouchi, 1993), the large Korean industrial groups-referred to as Chaebol, as well as qiye jituan: the 1980s Chinese business groups and personal-business ties of Guanxi (Wu, 2007;
Keister, 2009), and the familiarity characterising business networks among the large business groups of India (Kedia, Mukherjee & Lahiri, 2006).

Khanna and Rikvin (2001, p.47) defined a business group as “a set of firms which, though legally independent, are bound by a constellation of formal and informal ties and are accustomed to taking coordinated action”. This definition of business groups gives them a character of inter-organisational network operations (Mahmood, Zhu & Zajac, 2011). The major characteristics of the business groups which operated prior to economic de-regulation in India were ties they developed to counter the legal and market inefficiencies that were prevalent at that time, and which continue to prevail. However, a significant element of these networks is their informal ties with the political, economic and legal institutional systems for the purpose of accessing various resources (Carney, 2004; Peng & Zhou, 2005). Hence the focus of the traditional inter-firm networks in the Asian region was on building relational links with similar members based on informality and the pursuit of ties, especially with the different institutions within the country.

The informality and building of social ties based on cultural, ethnic and linguistic understanding are a characteristic of relational ties among firms in emerging markets (Gammeltoft, Barnard, & Madhok, 2010a). The relational ties in the Asian context are heavily dependent on the commonality of the cultural norms, values and thought styles of their network partners. Also the expansion of Asian firms into nearby regional areas was linked to governmental support and links, as seen in the case of Singaporean MNC Keppel’s extension through its links with the government in China (Haley, 1997; Sikorski & Menkhoff, 2000). In the international context, the success of Japanese automobile manufacturers as opposed to their competitors in America is explained through their dependence on their domestic supplier networks (Cyer & Ouchi, 1993). All three perspectives - network, spatial, and institutional theory - are essential to explain the characteristics of business groups from Asia. However, the Asian business groups are believed to be in a phase of transformation in response to institutional and regulatory changes within the region (Kedia, Mukherjee & Lahiri, 2000; Carney, 2004; Carney, 2005; Peng & Zhou, 2005).

One explanation by Sikorski and Menkhoff (2000) is that firms followed their national network partners into international markets, as was the case of the Japanese automobile
suppliers that followed the automobile manufacturers (Cyer & Ouchi, 1993). Collinson and Rugman (2007) offered another perspective of internationalisation where firms set up their own subsidiary operations in international markets. Elango and Pattnaik (2007) suggested that firms would seek new network partners for their internationalisation. Globalisation and the increased opportunities have challenged firms from emerging economies to internationalise early and more aggressively (Gammeltoft et al., 2010a). According to Gammeltoft et al. (2010a) there are differences in firms from emerging economies and Western firms due to their home institutional contexts. The combined motivations of aggressiveness in internationalisation and the need for new partners, especially if they are from a different institutional context, presents the dimension of unfamiliarity with the new partners for the emerging market firms. The unfamiliarity with new partners introduces the element of adaptation or adjustment in network relations.

Outward direct investment from Asian markets like China and India has been on the rise over the last decade as compared to outward investment from developed nations (Yaprak & Karademir, 2011). Furthermore, an emerging nation like India is investing more in developed markets than in lesser developed countries (Ramamurti & Singh, 2009). Yaprak and Karademir, (2011) propose that emerging nation firms are gaining strong competitive advantages that will be sought after by the developed country firms. Conversely, Bangara et al. (2012) propose that Indian firms are aggressively seeking partnerships with advanced nation firms as a tactic to create legitimacy for their international operations. This view signals the potential for Indian firms to seek ties with developed nation firms rather than merely regional partners. Gammeltoft et al. (2010a) discuss the essential characteristics of emerging market firms as being ingrained in their local institutional context, hence being either state owned, family-owned and/or being part of business groups, which influences the nature of relationships they forge in their internationalisation. Given the nature of the emerging market firms, the above discussion highlights the changing dimensions of their network relationships, both in terms of the types of network partners chosen as well as the similarities and differences between the emerging market firms and their network members in their international operations.
2.5.2. Diversity of Networks from a National Cultural Perspective

Management issues are of a universal character; however the resolution of these issues arises in the context of the values, norms and culture of a particular society or nation (Hofstede, 2007). This view is further extended to the management of network relations being based within the purview of the cultural and geographical background of the network participants (Batonda & Perry, 2003; Aron, Clemons & Reddi, 2005; Carney, 2005). Culture as defined by Hofstede (1986) is a collection of values, beliefs, norms and behavioural styles within a social setting. Trompenaars (2006) proposed that success on the international platform is based on integration between cultures. According to Batonda and Perry (2003), national culture can be a predictor of how individuals involved in business networks, could behave in managing network relations. Studies also indicate that the behaviour of organisations is influenced by the local culture as they are run by employees whose value system has developed within that cultural context (Levy, Schon, Sully, & Boyacigiller, 2007). Hence, examining the diversity of network participants, with reference to nationality and cultural background, signals differences in approaches to network relationship management.

Johanson and Mattsson (1987) suggest that exchanges between inter-firm network members are between individual employees of different levels among firms; therefore the relationship building role is the responsibility of these individuals. Another study by Jansson (2007b) emphasises differences in trustworthiness between Nordic and Asian counterparts in inter-firm networks. This author suggests that Asian counterparts rely on individual and social aspects whereas the Nordic partners rely on professional, and organisational trustworthiness. Individual trustworthiness according to Jansson (2007b) is based on liking an individual with whom interaction is happening, presenting a personal, informal and emotional aspect. Social trustworthiness arises because of similarity in social or cultural background (Jansson, 2007b). Jansson (2007b) also suggests that professional trustworthiness is about the approach to completion of the task and is impersonal and formal, akin to trusting the organisation. The critical aspect of this lies in pinpointing the differences in interaction approaches between firms from more advanced markets and Asian counter-parts in building trustworthiness in network relations. This view signals the need for specific adaptive mechanisms to address the differences. Western counterparts start with trust until that trust is broken, however Eastern counterparts start with suspicion until trust is proven (Jansson, 2007b).
Firms from the large emerging market of India face the dual context of seeking and building tie-ups with similar South Asian countries and different European, American and Australian counterparts who can generally be classified as Western. A global corporation status for an Indian firm involves dealing with a mix of Eastern and Western network partners. This presents the challenge of retaining their Eastern interaction approaches while conversely needing to realign to Western interaction approaches. The studies of Indian firms needing to realign to Western interaction approaches while collaborating with network partners from the West for their internationalisation are still in an emergent phase (Ramamurti & Singh, 2009; Gammeltoft et al., 2010a; Yaprak & Karademir, 2011).

According to Gammeltoft et al. (2010a) extant literature in international business (IB) has not analysed the distinctive institutional lens of the operation of emerging market firms. Studies by Carney (2005) emphasise the cross-cultural dimensions in network relations. The proposed study addresses this gap in extant literature of the impact of institutional context of emerging market firms and cultural context in managing network relations. The concept of adaptation is focused not only in resolving network issues, but the specific issues that would arise due to the institutional and cultural context of the network.

2.6. Network Theory and Other Strategic Perspectives

This section reviews the resource based perspective (RBV), spatial strategic perspective and institutional theory. The aim is to examine the links between these theories in the application of network strategies used by firms.

2.6.1. Resource-Based View (RBV) and Network theory

According to Dyer and Singh (1998), no single theory offers a complete explanation of how firms achieve competitive advantage. The resource-based perspective, which is internally oriented, focuses on the assets that the firm possesses as the reason for its competitive advantage (Barney, 1991). Conversely network theory, which is externally
oriented, suggests that a firm’s competitive advantage is because of the benefits it gains by linking with other firms (Dyer & Singh, 1998; Gulati, Nohria & Zaheer, 2000; Svejenova & Alvarez, 2007). Thus the network approach is somewhat contradictory to the prescriptions of the resource based approach. However, as suggested by Zaheer and Bell (2005), combining these two theories indicates that a firm is in a position to use its internal strengths to harness external resources from network partners, thereby generating superior value. Dunne (2008) proposes that a firm needs to have strong internal capabilities for adapting to differences in strategic and operational approaches of another organisation, without which it cannot collaborate successfully with external partners. Such studies of successful collaborative networks signal a strong connection with firms having internal strengths to successfully collaborate, presenting a close link between RBV and the network approach towards examining competitive advantage of firms. The argument proposed in this study is that the adaptive abilities of a firm are an internal resource necessary to successfully collaborate with external network partners.

2.6.2. Spatial and Network Theory

There is growing interest in the concept of locational strategy in IB, especially in a world of rapidly growing high-tech connectivity and globalisation (Tallman & Jenkins, 2007). According to these authors, spatial theory offers a critical insight into gaining competitive advantage for all types of firms. The two major dimensions of the spatial perspective are that firms need to identify and utilise vital value generating activities beyond their normal geographical boundaries wherever they are available, and also realise that these resources are not necessarily based in a country but are more in specific cities within the country (Tallman & Jenkins, 2007). These authors refer to the example of India as a whole having no obvious superiority in the supply of IT services, but the city of Bangalore in India being tied to the global market place due to its capability in supplying a variety of services in information technology. The focus in IB is therefore moving towards these specific regions and the firms within these regions (Knoben & Oerlemans, 2006), hence the inclination of firms to disregard their traditional culturally proximate partners and to seek networks from both near as well as distant cities that can generate competitive advantage globally (Tallman & Jenkins, 2007). Any network strategy on the global platform implies a spatial component.
Knoben and Orlemans (2006), explain the innovation emerging from certain regions as being due to networks forged between firms from within that region, emphasising the role of regional proximity in generating competitive advantages for firms. Studies of large MNCs from the Asian region have also emphasised their regional character. Furthermore their prospects of future growth are also more regional than global, similar to many European and North American firms (Collinson & Rugman, 2007). The authors associate a similar regional tendency with the emerging markets of India and China. Sikorski and Menkhoff (2000) proposed that the success of internationalisation of Japanese, Taiwanese and South-East Asian MNCs was due to their dependence on ties with fellow countrymen settled in neighbouring regions. Similarly Lorenzen (2007) also discussed social resources being gained through spatial proximity. These studies suggest geographical proximity to be an important dimension in the network structure of internationalising firms.

Traditionally, spatial proximity of network partners has been suggested as a reason for competitive advantage of innovation arising from certain regions such as the Silicon Valley in the U.S. and the Swiss pharmaceutical companies focusing on San Diego, San Francisco Bay Area and Boston (Sikorski & Menkhoff, 2000; Zeller, 2004; Knoben & Oerlemens, 2006; Collinson & Rugman, 2007; Lorenzen, 2007). However this view is moving towards non-proximate non-local but globally integrated networks, creating success in knowledge transfer globally within a network that is structurally well established (Zaheer & Bell, 2005; Mathews, 2006; Elango & Pattnaik, 2007; Tallman & Jenkins, 2007).

The above contrary views on locational dimensions suggest that a firm seeking network partners when internationalising could focus on the traditional approach of seeking proximate partners or the emerging approach of seeking non-proximate partners. Also according to Tallman and Jenkins (2007), in the context of international operations the challenge for firms that are part of worldwide networks would be to develop skills in leveraging these local competencies onto global platforms to face global competitors. For firms from the Indian market, leveraging their local competencies, could signify spatial advantages that they have to offer to their lesser developed partners from regional locations, as well as to advanced Western markets, thereby placing them in pivotal roles in globally spread networks.
It is this global perspective that is promoted by various studies on emerging markets. To counter lateness of entry, limited experience and newness, to create legitimacy, the need for innovative cutting edge technology or size and resource barriers, emerging market firms are aggressively seeking networks with more global operators rather than regional operators (Mathews, 2006; Elango & Pattnaik, 2007; Johanson & Vahlne, 2009; Bangara, Freeman, & Shroder, 2012)

2.6.3. Institutional and Network Theory

Another theory that has an impact on the firm’s competitiveness is examined through institutional theory wherein the firm is considered to be an institution that is constrained or progresses because of its institutional character. According to March and Olsen (1989), a firm is perceived to be operating by a group of procedures, which may be termed rules; and the behaviour of the firm is dictated by appropriate and prevalent norms, rather than utilising any other choices which may be available. The institutional perspective on the behaviour of the firm is essential to an understanding of a firm’s actions in the context of how it builds and establishes its relationship with other partners in the network. It is in this context that the network seeker in internationalisation needs to think of matching its own behaviour with that of network partners.

According to Jansson (2007a) retaining competitive superiority involves learning to change continuously by understanding organisational routines. The main element therefore is that learning has to become a habit, and according to Jansson (2007a) it is associated with thought perspectives, which are influenced by norms and values. Sharma and Blomstermo (2003b) are of the view that organisations become habituated to operating in domestic markets and due to their experience in these markets they have developed fixed knowledge sets. The move to new markets requires the organisation to change its learning pattern, which may be viewed as an innovation rather than an incremental step forward. This is more so, in the context of the emerging market firms moving from an Eastern market to a Western market where the thinking styles are different. New organisational habits need to be implanted through discovery and learning to create a new knowledge base. Every step of the process of internationalisation is represented by such new knowledge bases, which implies that the business process needs to be reinvented and institutionalised making organisational learning a very important part of the process (Jansson, 2007a).
This institutionalisation presents the context of organisational theory. The use of networks implies not only internal organisational routines but also learning and integrating inter-organisational routines. The organisational learning, and the institutionalising of this learning into organisational routines, creates a link with spatial theory with national cultures. It presents the issue that norms, values and thought styles are ingrained into the institutions within a national cultural context. Owing to the national cultural context, the issue that differences and similarities at the organisational level between network partners emerge from culturally ingrained issues of norms, values and thought styles introduces the challenges of legitimacy and negative stereotyping in the specific context of internationalisation from India (Jansson, 2007b; Bangara et al., 2012).

According to Gulati (1998), firms entering into networks, face a moral dilemma due to the uncertainty of the potential partner’s behaviour. Firms attempt to reduce this moral dilemma by relying upon their knowledge of the rules, norms and conventions of the local institutional context in which their potential partners operate (Carney, 2005). The institutional context may be defined as a reliable infrastructure of formal legislations, contractual arrangements that are formally enforceable, but in some contexts there is a lack of enforceable reliable legal institutional frameworks (Hoskisson, Eden, Lau & Wright, 2000; Carney, 2005; Wright, Filatotchev, Hoskisson & Peng, 2005; Jansson, 2007a; Wood et al., 2011). According to Carney (2005) and Wood et al. (2011), Asian businesses adopt a network building behaviour that is ingrained within the local environment of many areas of institutional voids; however Carney (2005) also suggests that there is a renewal of Asian business networks due to greater integration of the Asian firms into global institutional environments. These differences in institutional frameworks lead to the discussion that follows in this literature review of the specific obstacles in internationalisation from the context of Indian firms.

According to Deligonul, Elg, Cavusgil and Ghauri (2013) national institutional aspects condition the expectations of the different firms towards each other in inter-organisational networks. As outlined by Carney (2005) and Wood et al. (2011) firms from countries like India operate in a national environment of institutional voids; these institutional voids shape the perceptions and expectations of firms, especially from sophisticated markets, towards their Indian counterparts. Because of the above
discussed institutional loopholes for the Indian firms seeking network partners from advanced markets, the challenge is that of creating legitimacy or social acceptance (Zimmerman & Zeitz, 2002).

Vital to the challenge of legitimacy are the twin aspects of “liability of newness” (Wood et al., 2011 p. 255) which is defined as the element of high failure associated with new firms as compared to mature firms; and the “liability of foreignness” (Wood et al., 2011 p. 255) as being the cost of operating in a foreign market which a local firm would not incur and hence becomes a competitive disadvantage (Wood et al., 2011). The issue of reputation which refers to a pre-existing categorisation of emerging market firms by different stakeholders into a negative perspective owing to their environments of institutional voids, places urgency on sending the right signals at the outset of the network relationship (Fischer & Reuber, 2007; Wood et al., 2011). Setting out adaptive measures to create legitimacy and counter negative stereotypes involves high costs for firms from emerging markets like India and are critical to their effective internationalisation (Wood et al., 2011).

The above literature of institutional theory places emphasis on the context of both the national and organisational institutional frameworks. This signals that both are specific challenges which emerging market firms face. Wood et al. (2011) emphasise the quest for legitimacy across international markets which involves the learning of unfamiliar social norms, values and thought processes for the firms from emerging markets, which are tacitly shared, requiring the element of trust between partners. The internationalisation of Indian firms may relate to formal reliable institutional contexts of the West or to the unpredictable institutional contexts of the East, depending upon the location of the Indian firms’ network partners. The emergent argument is that if the Indian firm chooses a regionally closer network partner in Asian markets like China, Malaysia or Indonesia, it would be dealing with a similar institutional and organisational context; hence the Indian firms’ strategies would not involve any adjustment or renewal. Conversely, if the network partners are from a formal highly reliable institutional and organisational context like the U.S, U.K or any other advanced market, the Indian firm would have to institute inter-organisational learning due to differences in normative behaviour of both the organisation as well as the institutional context of the market. According to Gammeltoft et al. (2010a), the big research question
in IB literature is to understand the role of the emerging markets from the perspective of the co-evolution of the firms and the institutions as well as the interplay between the emerging institutional settings with the more or less developed institutional contexts.

Major theories which are applied in this study:

Figure 1: Major Theories Applied in the Study

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<th>Grouping of theories</th>
<th>Major studies in the theories</th>
<th>Perspective</th>
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<tr>
<td>Network theories</td>
<td>Dyer and Singh (1998)</td>
<td>Relational perspective</td>
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<tr>
<td></td>
<td>Jansson (2007a)</td>
<td>Institutional theory and organisational learning</td>
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<tr>
<td>Internationalisation theories</td>
<td>Mathews (2006)</td>
<td>linkage, leverage, learning</td>
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The above literature review on network, resource-based view, spatial and institutional theory, connects the role of proximity and non-proximity in inter-organisational linkages with the element of collaboration-adaptive mechanisms. According to Knoben and Oerlemans (2006), proximity is an ambiguous term used in many studies and needs to be clearly specified as it has various dimensions. In this study proximity refers to the dimensions of geography, cultural and institutional aspects. Geography may be defined
as closeness in terms of location, and assumes importance in inter-organisational linkages due to its role in facilitating interactions and consequently knowledge sharing, however distance may not facilitate tacit information sharing (Knoben & Oerlemans, 2006). Also Knoben and Oerlemans (2006) argue that technological proximity of firms does not facilitate tacit knowledge sharing necessary to build inter-organisational collaboration. Drawing on this argument, though technology permits firms to have regular interactions despite geographical distance it does not eliminate the need for closer face-to-face interactions. In this context geographical proximity assume importance in its role of facilitating frequent meetings and better opportunity for constant face-to-face dialogue between partners.

Cultural proximity in this study refers to national cultures and is inter-linked with geography to arrive at a common dimension of considering similar national cultural patterns of firms emerging from a particular geographical region (Knoben & Oerlemans, 2006). Culture is a complex dimension to define (Perry & Batonda, 2003). Culture involves the multiple dimensions of country, social and institutional systems prevalent through which common norms, behaviours and thought styles develop, and which differentiate one national culture from another (Wilkof, Brown & Selsky, 1995; Jansson, 2007a). Finally, institutional proximity is defined as a national framework of economic, political, legal rules and routines that exist, which do not necessarily condition a firm’s behaviour and its organisational culture (Knoben & Oerlemans, 2006). However, as proposed by Gulati (1998), when entering into partnerships firms face a challenge of assessing a potential partner’s behaviour, and as proposed by Carney (2005), depend on their knowledge of the national institutional framework to address this challenge. In view of this, institutional proximity or distance assumes greater relevance than organisational culture in reviewing the role of adaptive mechanisms in the current study.

The above argument of firms basing their analysis of a prospective partner from emerging markets upon national institutional patterns presents the dimension of stereotyping. Given the lower level of institutional frameworks in emerging markets (Hoskisson, Eden, Lau & Wright, 2000; Wright, Filatotchev, Hoskisson & Peng, 2005; Jansson, 2007a; Wood et al., 2011) and the higher level of institutional frameworks in advanced markets, the emerging market firms would be perceived as high risk and
negatively stereotyped by advanced market firms (Wood et al., 2011; Bangara et al., 2012). In view of the above arguments, a review of the level of negative perception associated with the emerging market firms by their prospective partners from advanced markets becomes essential. Adaptive mechanisms to address negative stereotyping would have to be created increasing the investment of time, effort and other resources.

In addition to negative stereotyping based on national institutional frameworks, firms from emerging markets also have another limitation. Except for the large business groups like TATA from India which has an international reputation, the majority of firms from India do not have an internationally known reputation, and lack the scale of operations, financial resources and ready international acceptance by advanced nation firms (Bangara et al., 2012). This context of Indian firms presents the challenge of creating acceptance by introducing strategies aimed at instituting legitimacy with network partners from advanced markets.

2.7. Reasons for Choosing the Network Form against Alternatives

Baker (1990) suggested that it is smaller firms that have a greater propensity to seek networks; however Podolny and Page (1998) view it more from the age of the firm suggesting that newer firms have a greater orientation to using networks. Podolny and Page (1998) also propose that the use of networks by firms is the collectivist approach of Eastern nation firms giving them a greater ease in applying a network approach (Dore, 1983; Podolny & Page, 1998). The collectivist approach, according to Triandis (2001), is a focus on group goals rather than individual objectives, and the communal context defining the social behaviour of members. Also, from the context of internationalisation the element of newness and uncertainty prompts emerging nation firms to seek networks (Keister, 2009). The above studies suggest that firms which prefer the network alternative are using the approach for diverse reasons ranging from size, age, risk, achieving their functional aims and importantly, due to familiarity with the network approach.

According to Mathews (2006), the global business economy is emerging as a network of inter-firm connections. Furthermore, the author also suggests, this situation is
complementary to the emerging firms from the Asia-Pacific regions which have high strategic and innovative capabilities leading to their becoming serious contenders in the international business scenario. In view of the aggressive internationalisation goals of the emerging market firms, as well as the element of newness, uncertainty and risk of their international operations are the main reasons for such firms having a propensity towards the network approach (Mathews, 2006).

2.8. Network Management and Adaptive Systems

According to Jarillo (1988), network management includes both effectiveness which refers to the network generating superior benefits, and efficiency which refers to greater gains achieved because of collaboration rather than the firm operating on its own. Central to this process is the element of trust (Granovetter, 1995; Dyer & Singh, 1998; Jarillo, 1988). A number of studies suggest that differences in network participants require the inclusion of collaborative methods to build conflict free relations (Batonda & Perry, 2003; Carney, 2005). Batonda and Perry focus on cross-cultural differences and specific strategies for creating cultural understanding and adjustment to differences, language and work compatible systems, and above all the willingness of network partners to invest time in building mutual orientation approaches. Carney (2005), on the other hand suggests inclusion of contractual arrangements aimed at adaptation and also building the network through accommodating a diversity of partners. Carney (2005) suggests that contractual arrangements emerged out of a requirement by Western network partners through concerns regarding the Asian supply chain members. The local institutional framework of the Asian supply partners’ around far flung factory locations with dismal working conditions, lack of security of intellectual property, compared poorly against a more formal and well organised Western institutional framework. The difference in culture and institutional parameters between network partners presents the question of differing perceptions and approaches. Another issue relating to the differences between network partners and matching their goals is the intensity of the differences between them and the relevance of these differences to the strategic pursuits of the network partners (Jansson, 2007a). To the extent that the differences impact on the network operations they would assume a very significant role in adaptation.
The above studies have suggested that to achieve network gains there is a need to better understand the differences that exist between network partners. These studies also indicate that trust is an essential element to be created between network members. The differences between network partners range from national cultural differences to institutional environments which are located in different regions. The resolution of these differences is necessary; however the adaptive mechanisms introduced by such firms would depend on how important the differences are and in what areas the differences arise. Drawing upon this literature, the national cultural differences and institutional differences between network members from Western formalised environments compared with the evolving Eastern context assume the presence of important areas of difference in the process of internationalisation for Indian firms. The success of linkage building would be dependent on the creation of trust between the partners in the different regions. The trust building exercise referred to includes addressing the differences in national cultures and institutional environments, and identifying the extent of investment required to address the differences.

2.9. Collaborative Mechanisms

A lot has been said about the benefits of collaborative networks, but there is limited knowledge about the collaborative processes that network members introduce to gain these benefits. There have been a few models proposed to explain the collaborative processes or relationship building processes adopted for inter-firm exchanges. Dyer and Singh (1998) classify them according to four requirements which are: joint investment areas, information exchange routines, experience and ability to co-create synergistic benefit areas and lastly strategic monitoring. On the other hand Johanson and Mattsson's (1987) model of relationships and interaction in industrial markets entails an interaction-exchange process that also includes adaptation processes. The term ‘exchange process’ refers to the network members working out how well embedded in mutual orientation they are, dealing with issues as they emerge and adapting by removing elements that don’t work and mutually influencing each other in creating this ongoing adaptation in the network.

Dyer and Singh’s model of relational rents (1998) focuses on four investment areas for firms to develop organisational capabilities to derive competitive advantages. The first
dimension in the model is ‘Combined Investments’ that are solely part of the network and involve both time and volume of assets; and they also stress three different types of assets, which are site, physical and human investments. The second dimension is information exchange routines, which according to Dyer and Singh (1998) is the process of how partners create consistent patterns to distinguish between easily identifiable data, figures and procedures as against tacit information. The model also proposes that knowledge transfer, especially tacit knowledge, requires setting up incentives, either formal, that is, contractual, or an informal understanding of mutuality. In the context of information exchange the model also highlights the necessity of creating openness of communication and discourages alliance members from being opportunistic. The aspects of mutuality and openness of communication assume ease or complexity based upon the cultural context of similarity or differences in norms, values and thought styles with their prospective partner firms as discussed in Section 2.6.3 of this literature review. The institutional context would additionally facilitate the understanding of the extent to which negative stereotyping exists, as discussed in the same Section. Negative stereotyping impacts upon the information exchange process requiring a review of mechanisms necessary to counter them. The role of legitimacy in network relations between Indian firms and their advanced nation network partners, due to the diverse institutional contexts as referred to in Section 2.6.3, also presents a dimension that conditions information exchange processes.

The conditioning factors of the network members having enough experience to compute and detect the areas where they can join resources or operations and gain synergistic benefits constitutes another dimension in the model. These synergy based combinations of resources are also dependent upon the position of the members in the network. Furthermore this requires creation or existence of smooth merging of practices, processes and cultural compatibility. Finally, strategic monitoring according to Dyer and Singh’s model (1998) can be through enforced contractual agreements or through self-governance which relates to the safeguards that are introduced without third party intervention but by the network members. The authors suggest that self-governance is a preferred measure as it lowers the costs of monitoring the exchanges and increases network efficiency and thereby provides scope for innovation through value-enhancing options. The model focuses on informal self-monitoring measures based on mutual trust rather than enforced measures like fulfilment of certain financial conditions.
Dyer and Singh’s model (1998) does not include the following although it identifies them as necessary for collaborative relations among network partners:

- Asset links between network members
- Ability to find partners and work as good partners through relation building skills and processes
- Creation of non-dividable assets
- Above all complexity of social, environmental, political institutions within the country context raising the bar on being able to develop relational benefits.

Other models have elaborated the need for a collaborative culture both internally and externally, which include the relational dimensions of trust, reciprocity, knowledge exchange, transparency and the realignment of processes, systems and decision-making approaches to match those of network participants (Barratt, 2004). All of these aspects are very similar to the ones discussed in Dyer and Singh’s model (1998). However, in the context of technology Barratt (2004) highlights overdependence on technological systems to create a collaborative environment which might in itself create a barrier. More importantly collaboration externally includes the aspect of collaboration at all levels that is strategic, tactical and operational (Barratt, 2004)

However Dyer and Singh’s (1998) model has not been empirically tested and is not applied in any particular context, therefore this research study aims to examine the practices adopted by Indian firms in their usage of network strategies in the specific context of internationalisation. The conceptual framework, proposed in Chapter Four, bases the collaboration investments in two cultural contexts, that is firstly in regionally proximate and culturally similar destinations and secondly in regionally and culturally distant destinations for internationalisation. Owing to the contextual elements of internationalisation of Indian firms, it is necessary to review Dyer and Singh’s (1998) model, to identify which of the following four elements assume a pivotal role in building the appropriate adaptive mechanisms to build compatibility with network partners.

- Joint investment areas- (relation specific assets)
- Information exchange routines- (knowledge-sharing routines)
- Experience and ability to co-create synergistic benefit areas- (complementary resources and capabilities)
- Strategic monitoring- (effective governance).

As discussed in Section 2.5.2, another dimension that assumes importance in the context of inter-firm network relationships is cross-cultural collaboration as also identified by Perry and Batonda (2001). According to Perry and Batonda (2001) this presents the need to have in place approaches towards gaining a clear understanding of the cultures of network members, culturally sensitive practices and training in this area, building common links, investment in personal relationships, flexibility and using lingual or people/agents compatible with all the different national cultures of the network members.

2.10. Network Concept and Firms’ Internationalisation

2.10.1. Network Concept and Internationalisation of Indian firms

The initial attempts at internationalisation of firms has been explained in IB literature largely as being influenced by membership, support, position and new knowledge gained through international network partners (Sharma & Johanson, 1987; Sharma & Blomstermo, 2003a). Majkard and Sharma (1998) propose that the fundamental approach applied by Japanese Keiretsu members was to use their membership of the existing international network for their own attempts at internationalisation. However in the Indian context, with large scale internationalisation being a new phenomenon, the studies in this field are fragmented and offer different reasons for using networks. Some go back to the traditional reasons of reducing risk and uncertainty while others focus on overcoming lateness of entry and aggressive growth ambitions of small entrepreneurial firms seeking international partners from whom they can learn quickly and gain market advantages through network partnership (Mathews, 2006; Elango & Pattnaik, 2007; Johanson & Vahlne, 2009; Bangara, Freeman, & Shroder, 2012).

Also the literature on the reasons for choosing the network approach as discussed in Section 2.7, signal to the firms bearing characteristics of newness, different nationality, collectivist approach and a transitioning economy as having an inclination to network as a risk reduction mechanism (Dore, 1983; Podolny & Page, 1998; Keister, 2009). The characteristics of newness, and the pattern of transition associated with the Indian economy are common aspects that the Indian firms may share with the above studies,
suggesting that the main reason for these firms to consider networks would be to reduce risk. Based on this reasoning it would be reasonable to expect that internationalisation from the Indian region has these characteristics. However firms from India may also create new patterns of networks based upon their motivations for internationalisation. Furthermore the suggestion is that firms may not necessarily depend upon their traditional partners, but seek totally new and diverse partners.

According to Mathews (2006), the literature on defining internationalisation is from the perspective of the large and strong organisations of a few decades ago, which had advantages in the domestic market and used these advantages to enter into international markets. Furthermore Mathews (2006) argues that the firms from the Asia-Pacific region which are late entrants and new to international markets do not follow this traditional pattern, requiring a new framework to examine their internationalisation. Mathews (2006, p.16) has proposed a new definition of internationalisation as “the process of the firms becoming integrated in international economic activities”. This definition emphasises the pivotal role of inter-firm linkages in the internationalisation of firms from the Asia-Pacific region. Mathews’ (2006) framework of internationalisation focuses on the three aspects of creating linkages (L), the first of which refers to a firm being externally oriented to access resources that are internally not available, and also for the small firm to minimise uncertainty by partnering with others; an evident reason for the developing nations in the past also. However with globalisation, according to Mathews (2006), the potential for building inter-firm linkages has increased. The second aspect in the framework refers to how the firm ensures access to resources within the network in order to multiply its gains in the international market, which Mathews (2006) refers to as leverage (L). The third aspect discussed in the framework is about repeatedly using the linkages and leveraging the network resources thereby generating greater experience for the firm and greater efficiency of dealing with international markets, generating learning (L). In comparison to the eclectic theory of internationalisation proposed by Dunning (1981), Mathews’ framework of linkage, leverage and learning (LLL) has a greater focus on explaining the internationalisation of firms that do not have the traditional advantages of extensive resources and market knowledge. However, according to Mathews’ (2006) framework the outcome of internationalisation is dependent on the firm’s ability to introduce strategies aimed at creating and building successful partnering. The need for successful partnering links the
internationalisation of Indian firms based on Mathews’ (2006) perspective with the need for adaptive mechanisms (Dyer & Singh, 1998), as discussed in Sections 2.7 and 2.8.

2.11. Overview of Internationalisation-the Changing Context

IB literature focuses on the dynamics of the growth activity from the formerly centrally planned economies and the growing European Union into the world markets, and more importantly on the Chindia effect (Jansson, 2007b). Previously, the focus of IB literature has been on analysing the changing business contexts for Western MNCs in the fast growing emerging Asian markets like China and India. However, a new transition by emerging market firms into Western markets is relatively unexplored (Ramamurti, 2009). The firms from the emerging market would be embarking on untraversed, uncharted courses into the entirely new business systems of the Western business environments, which according to Jansson (2007b) differ markedly from Eastern business environments. Eastern country firms are predominantly dependent upon government or institutional support, therefore devoid of these institutional structural mechanisms that favour them in their domestic markets how would they fare in international markets where these support systems are unavailable? Also Jansson (2007b) highlights the perspective that the business environments in Western markets and these emerging markets are markedly different and traditional IB frameworks will not assist in explaining the strategic approaches that Western MNCs would use in coping with their internationalisation into emerging country markets. Similarly there is a need for IB literature to develop strategic frameworks that would explain how the emerging country firms would achieve strategic gains in their internationalisation into world markets.

2.11.1. The Context of India

The high growth of emerging country markets and their integration into the world economy is rapidly increasing the interest of Western MNCs in these markets and at the same time this interest is rearranging competitive forces for firms and economies. The
internationalisation of business operations from the emerging markets to the rest of the world has been happening over the past few decades, but now the pace is faster. For the first time this internationalisation involves industries where mature Western industrial countries traditionally have comparative advantages, such as hi-tech industries. The implication of this new situation for the hi-tech Western MNC is well articulated by the:

CEO of Cisco:

"We came to India for the costs, we stayed for the quality, and we’re now investing for the innovation." (Business Week, 22/29 August, 2005 as cited in Jansson, 2007a).

2.11.2. Emerging Markets Network Characteristics-A Transition Perspective

There are different classifications of emerging market countries and the number of countries included. However, the common factor among emerging market countries is growth due to reform in the form of deregulation and liberalisation, accompanied by changes in society which are making the economies move towards greater market orientation and global integration (Jansson, 2007b).

A first major conclusion regarding emerging country markets is that market change is entangled with the evolution of society (Jansson, 2007b). According to Jansson (2007b) markets do not develop by themselves because basic support systems need to be in place, for example, legal systems, a public support system, and suitable values and belief systems. This ‘embeddedness’ in institutions is a key characteristic of these markets, meaning that not only are markets emerging but so is the whole society (Jansson, 2007b). A democratic political system and other related Western systems, such as the legal system, are built mostly from an absolute rule system, for example the socialist/communist state (The World Bank, 2002a as cited in Jansson, 2007a). Serious social problems such as corruption, criminality, poverty and malnutrition create injustice within the society, and extend into the contextual environments of the emerging markets. Another downside is environmental degradation, such as depletion of rainforests, pollution of air and water, and soil erosion which are associated with a firm’s ‘emergingness’. Finally, the agricultural sector diminishes in importance but still
forms a critical part of the economy in the emerging market. This presents the issue of considering the emerging market as a kaleidoscope of transition.

2.11.3. Major Differences in Networks in East and West
A second major conclusion is that emerging country markets are relationship oriented with firms being part of elaborate and complex business networks. However, business networks are not unique to emerging country markets, since firms all over the world are connected through networks. But networks in emerging country markets differ culturally, organisationally and economically from those in the West, even while they undergo major changes. This signifies that inter-organisational networks in emerging country markets are more personal and embedded (i.e. overlapping with other networks in society), while they are more impersonal and confined to the business sector in Western markets. On a very general basis, inter-firm relationships in emerging country markets tend to transform from the former state to the latter state. The transformation of the networks characteristic of business partnerships from countries like India and China is in the context of high complexity and rapid change in emerging markets (Jansson, 2007b). Indian firms have an understanding of the relationship orientation of business networks in the regional context of South-east Asia and South Africa, but in the context of Western markets Indian firms lack an understanding of the dimensions that impact on their network firm partners. These dimensions then become part of their business environment which they would need to adapt to.

2.12. Internationalisation Theories - Perspectives on Indian Firms

2.12.1. Diversity of Partners in the Context of Internationalisation
According to Rodriguez and Nieto (2012) alliances with partners from international markets provide the benefit of acclimatising with local culture, markets and client requirements in the case of knowledge based services. This premise could be extended further to say the benefits would accrue in situations where there is a good understanding between the internationalising firm and its network partners. Studies in different business sectors have also proposed that alliances facilitate internationalisation (Coviello & Munro, 1997; Chetty & Holmes, 2000; Mort & Weerawardena, 2006) and many studies also link the need to innovate as a major reason for internationalisation
According to Rodriguez and Nieto (2012), by facilitating innovation for the internationalising firm the international alliance partners provide a competitive advantage; the collaboration gives access to resources and knowledge in the foreign market; and additionally it minimises risk and reduces costs. The access to these benefits however as suggested by Dacin, Hitt and Levitas (1997) depends on having the right partners, and the ability to analyse and understand the goals of the partners in the alliance. The emphasis is placed on the relationship that is built between the partners, and based on an understanding between the partners. The context of internationalisation of firms from emerging markets, as also discussed in Sections 2.6.3 and 2.11, presents specific obstacles where understanding has to be built between the partners. The specific obstacle to the internationalisation of firms from India is further elaborated in the next section.

2.12.2. Obstacles in Internationalisation of Indian Firms

According to Bangara et al. (2012) coping with negative stereotypes associated with emerging market firms is a major challenge. Negative stereotyping refers to the advanced market firms’ belief that the emerging market firms lack proper governance and have accountability issues, coupled with limited managerial and international market know-how, and lack of technological and innovative capabilities (Bangara et al., 2012). Hence, there is a need for the emerging market firms to constantly pursue legitimacy. Legitimacy commonly refers to “a social judgment of acceptance, appropriateness, and desirability (that) enables organisations to access other resources needed to survive and grow” (Zimmerman & Zeitz, 2002, p. 414). More importantly as part of the emerging market firm’s long term strategies in international markets, the issue of legitimacy and countering negative stereotypes also increases the risk in dealing with international markets for the emerging market firms (Bangara et al., 2012). Wood et al. (2011) propose that firms from emerging markets are pursuing a new trend of committing early to internationalisation. Hence, emerging market firms focus on aligning their firms, operations, products and services to face the dual challenges of reputation and legitimacy in the international environment due to their emerging nation roots.
According to Bangara et al. (2012) Indian firms due to their late entry and the fact that the Indian economy has been opened up only a few years back, face a vital issue of legitimacy in the international markets with the exception of large collaborators such as TATA. According to Wood et al. (2011) this involves alignment of their operations to create legitimacy in international competitive standards and is like the other side of the coin of building a positive reputation despite originating from a negative context of emergingness. Previous theoretical models seem inadequate in explaining the internationalisation process from emerging markets, especially the aggressive internationalisation approaches used by emerging market firms (Johanson & Vahlne, 2009). Furthermore, Johanson and Vahlne (2009) suggest that emerging market firms are using their ability to forge networks and through the partnerships are able to counter the disadvantage of newness and outsider disadvantage to aggressively internationalise.

Similarly, Bangara et al. (2012) also suggest the concept of aggressive internationalisation of the emerging market firms, especially the born global firms which refers to firms that internationalise from their conception (Yip & Kudina, 2008) resists fitting into all the conventional models of internationalisation. This suggests the need for a newer model to explain the process of internationalisation for emerging market firms (Johanson & Vahlne, 2009; Bangara et al., 2012). The argument is that conventional models of internationalisation like Dunning’s OLI (1995), where O refers to ownership advantages, L refers to location advantages and I refers to internationalisation advantages; and Johanson and Vahlne’s (1990) process of internationalisation, do not explain the internationalisation of the firms from emerging markets. Also the above arguments about emerging market firms using networks to counter their emergingness signal the need for firms from emerging markets to aggressively pursue networks and introduce investments in network adaptive mechanisms, to forge ahead of their competition in international markets. However, the context of the current study relates to those firms that are seeking internationalisation through the network approach without the distinction of aggressiveness or passiveness, but more so through a committed approach to long-term gains rather than short-term gains.

The preceding literature review on institutional theory in Section 2.6.3, elaborated on the role of the institutional framework and its impact on the behaviour of firms. The
literature emphasised the impact of the surrounding political, economic and legal systems on the behaviour of firms and the perceptions of host country firms towards prospective emerging market network partners.

2.12.3. Coping with Advanced Economies

The structural sophistication and superior infrastructure facilities that firms from advanced economies are accustomed to operating in creates additional distance and presents the need for processes of adjustment by the internationalising firm from emerging markets (Bangara et al., 2012). The argument that the emerging nation firm requires the assistance of partners in coping with the institutional factors becomes relevant in networking with advanced market firms. According to Mathews (2006) the successful players on the global business platform, especially those from the Asia Pacific region, depend on actively seeking resources through linkages and initiating learning through efficient leveraging. This LLL model (Mathews, 2006) as discussed earlier in Section 2.9.1 indicates that the success of Asia-Pacific region firms is due to the creation of repetitive linkages and applying the learning from one linkage to enhance the next linkage. The LLL (Mathews, 2006) model therefore presents internationalisation as one of multiple exchanges among a plethora of networks. This view of internationalisation signals the likelihood of complex diversity within the networks creating major challenges for the network adaptiveness of the firm seeking the linkages.

Buying into both the global compared to regional argument as discussed earlier in Section 2.6.2, and applying the network operations for Asian firms beyond their national borders, there is the question of looking at what is the combination of their network actors. Who are the players in a similar regional and cultural context, as compared to the extent of dissimilarity in the regional and global context? It is based upon this analysis that the central players in the network structure would be expected to redesign their adaptive mechanisms in order to cope with the possibility of having diverse network partners.
2.13. Limitations of Existing Research in the Application of Networks

2.13.1. Internationalisation and Adaptive Mechanisms in the Indian context
The literature review in the previous sections suggests an extensive body of knowledge on the strategic network perspective and its links with RBV, spatial and institutional perspectives. Furthermore, it emphasises the distinct characteristics of traditional business networks from the Asian region as being associated with building relational ties, locational and institutional perspectives.

The literature on networks in the internationalisation process from the Asian region also refers to a transformation phase both in terms of seeking diverse partners from the developed markets (Bangara et al., 2012; Mathews, 2006) as well as highlighting the major issues of negative stereotyping and creating acceptance (Bangara et al., 2012). These features suggest a gap in the literature on how such firms are introducing adaptive mechanisms to increase the effectiveness of network relations in their internationalisation, to bridge the differences in Eastern network characteristics compared with those of the West (Jansson, 2007b).

Previous studies from India have explored the regional character of the network members emphasising the spatial perspective (Collinson & Rugman, 2007). However the growing outward foreign investment from India into developed markets (Ramamurti & Singh, 2009; Yaprak & Karademir, 2011) has exposed a gap in reviewing the pattern of network structures that would emerge. The traditional approaches of internationalisation have also failed to explain internationalisation from the context of the co-development of the economy as well as internationalisation of firms from the emerging markets (Gammeltoft et al., 2010a). Mathews (2006) proposal of LLL, which explains the nature of internationalisation by referring to the distinct features of rapidity and commitment on the part of the firms from emerging markets, is applied in this study. Mathews’ (2006) theory of linkage, leverage, and learning addresses the emerging strategies of Indian firms’ internationalisation with greater adequacy as compared to the traditional approaches of internationalisation.

The literature review in the previous section has revealed the dynamics of institutional changes, the growing importance of the role of emerging markets on the global platform
and their internalisation beyond their regional boundaries (Ramamurti & Singh, 2009; Yaprak & Karademir, 2011). These changing dynamics in the business environment have emphasised the context of national culture and its interplay with the differences in Eastern network management approaches as compared to those of their Western counterparts. Also, there is a dearth of studies on adaptation of Eastern firms to Western contexts in IB literature (Gammeltoft et al., 2010a).

Studies have further identified the areas and processes that can build a mutual orientation between network members. However the distinct mechanisms that could bridge the gap between Eastern and Western network partnerships from an Eastern perspective, based on the distinct factors of national culture and institutional frameworks, need to be studied further. Considering these gaps in existing research there is need for a model that links the areas of adaptation with the type of partners either proximate or distant or both with internationalisation challenges. Above all according to Jansson (2007a) IB strategy adopted by MNCs from any part of the world involves their specific context which includes the firm itself and the country, and also differs over a period of time; a model inclusive of the specific Indian context over a period of economic transition is highly relevant to IB strategy.

Based on the above factors of transformation within the Indian international network scenario the following section presents a model that synthesises these changing elements of the network structure.
Chapter 3. Proposed Model of Adaptive Mechanisms

Indian businesses are familiar with building and maintaining networks in their domestic environment. Using network theory, the objective of the study is to investigate how Indian firms would use networks in their international operations. However, both the Indian economy and Indian firms are in transition with huge global ambitions. Therefore traditional approaches to internationalisation are in flux and Indian firms are adopting different approaches beyond their national borders. This study aims to identify the platforms of adaptive mechanisms that are applied in traditional and dynamic network strategies in Indian internationalisation. This perspective adds a new dimension to the understanding of how such firms may add value by adaptation within, and in the maintenance of their networks.

The literature review in the previous chapter explored a widely diverse stream of research ranging from the transition economy of India to the global ambitions of firms from India. Furthermore, the distinctive environmental factors of similarities and differences in national cultural, institutional and network approaches that frame the operations of firms from this region were included in the literature review. Overall, these contextual elements in this stream of literature are the models of network and internationalisation.

Multiple theories have been advocated in each of these respects. However these theories offer a fragmented view of the topic under study. Dyer and Singh’s (1998) conceptual model of relational rents, Johanson and Mattson’s (1987) inter-action exchange processes, and Perry and Batonda (2003) adaptive mechanisms in cross-cultural networks are combined with Jansson’s (2007b) integration of institutional and network dimensions, to develop an integrated conceptual framework for analysis of internationalisation of Indian firms using a network strategy. The purpose is to highlight the extent of investment required in critical areas of collaborative mechanisms.
3.1. Interaction-Adaptation in the Network Relationship

Johanson and Mattsson (1987) developed a model of inter-organisational networks based on defining inter-firm relationships as firms arriving at a mutual orientation which is derived through their interactions having dual components of exchange and adaptation. Exchange processes include social, business and information. The adaptation process involves the firms in reviewing their match with the other network partners, learning about each other and influencing each other on an on-going basis to achieve a workable fit. The dimensions of fit extend over various operational aspects including administrative, product and process, and financial systems.

**Figure 2: Relationships and Interaction in Industrial markets**

<table>
<thead>
<tr>
<th>Mutual orientation</th>
<th>Exchange Processes</th>
</tr>
</thead>
<tbody>
<tr>
<td>-Preparedness to interact</td>
<td>-Social Exchange</td>
</tr>
<tr>
<td>-Mutual Knowledge</td>
<td>-Business Exchange</td>
</tr>
<tr>
<td>-Respect for each other’s interests</td>
<td>-Information Exchange</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Investments</th>
<th>Adaptation Processes</th>
</tr>
</thead>
<tbody>
<tr>
<td>-Bonds</td>
<td>-Products</td>
</tr>
<tr>
<td>-Dependence</td>
<td>-Production</td>
</tr>
<tr>
<td></td>
<td>-Routines</td>
</tr>
</tbody>
</table>

(Source: Johanson and Mattsson, 1987)
Based on Johanson and Mattsson’s model (1987), the proposed model designed for this study focuses on the need for firms to include a review of their exchanges. This review aims to assess how well the firm and its partners are integrated. The term ‘adaptation areas’ refers to the scope of review in the network exchanges. The model combines within the spatial dimension component common and specific platforms to enable the firms to consider these elements depending upon the locational context of the partners.

This concept of adaptation is synthesised with the elements of information sharing and strategic governance drawn from Dyer and Singh’s model (1998), aimed at examining how network relations are built. In addition these elements are contrasted with the differential dimensions between Eastern and Western network approaches included in Chapter Two.

3.2. Inter-Organisational Relational Rents

Dyer and Singh (1998) focus on four dimensions in their conceptual model of inter-organisational relational rents, introduced in Chapter Two: joint investment areas (relation specific assets); information exchange routines (knowledge-sharing routines); experience and ability to co-create synergistic benefit areas (complementary resources and capabilities); strategic monitoring (effective governance).

Dyer and Singh’s (1998) model does not recognise interdependencies between each of these factors but views them independently in studying their impact on the generation of relational benefits. However, considering the environmental context, the factor of information exchange provides the opportunity to make the partnership dynamic and ever-adapting. The second factor of effective strategic leadership between the partners enables constant adaptation and renewal of the partnership. The two factors of information exchange and strategic review therefore enable the establishment of the other two dimensions of experience and ability to co-create synergistic benefit areas and joint investment areas.
Figure 3: Inter-Organisational Relational Rents

**Determinants of relational rents**

- Relation specific assets (Joint investment areas)
  - 1a. Duration of safeguards
    - 1b. Volume of inter-firm transactions

- Knowledge-sharing routines (Information exchange routines)
  - 2a. Partner specific absorptive capacity
    - 2b. Incentives to encourage transparency and avoid free-riding

- Complementary resources and capabilities (Experience and ability to co-create Synergistic benefit areas)
  - 3a. Ability to identify and evaluate potential complements
    - 3b. Strategic resource complementarily

- Effective governance (Strategic Monitoring)
  - 4a. Self enforcement
    - 4b. Informal mechanisms

(Source: Adapted from Dyer & Singh, 1998)
While developing the adaptive mechanisms framework, the environmental context of Indian firms involving their institutional background of a protectionist environment is a major challenge. Also considering that the Indian firms are late entrants to internationalisation, from Mathews’ (2006) perspective, they need to create linkages quickly. It is important that the Indian firms focus on elements of adaptation that will facilitate speedy internationalisation. Based on this, the two questions that emerge are: what are the areas of adaptation required, and how do the areas of adaptation affect the choice of network partners?

Analysing the reasons for internationalisation of Indian firms, the firms that are seeking networks are firms that lack prior resources and want to enhance their resource capabilities (Mathews, 2006; Bangara et. al, 2012). Drawing on this aspect of lack of resources and the need to build linkages quickly, the factor of setting up joint investment areas (Dyer & Singh, 1998) will not assume priority in the network operations of Indian firms at the outset. Since the prime motivation of the aggressively internationalising Indian firms is to tap the resources of the other firms, joint investment opportunities have to follow the initial process of having built the linkage. Hence the focus has to be on facilitative areas that assist in building the linkage rapidly. The elements in Dyer and Singh’s model (1998) which address the need to build the linkage quickly for the Indian firms are information exchange routines and strategic monitoring rather than joint investment areas.

A dominant characteristic of emerging market firms based on current literature is the element of opportunism in the choice of network partners (Freeman et al., 2010). The role of information in the opportunities that network partners offer becomes critical to the choice of network members for the internationalising firm, hence the need to focus on information exchange mechanisms that are not conditional to any type of network partner but applicable to all types of network partners. This argument leads to the development of the concept of knowledge sharing as a common network platform in the adaptive mechanism framework of the current study.

According to Bangara et al. (2012), it is the founder’s vision that governs the internationalising process, and this influences the network operations. Also, Freeman and Cavusgil (2007) suggest that the founding members of firms from emerging markets approach internationalisation from two behavioural perspectives, one of short-
term responsive mind-sets, and the other of pro-active long-term mind-sets. Mathews (2006) advocates that firms use networks to gain additional benefits and to generate learning through repeated application of network processes, to enhance their internationalising capabilities, suggesting a long-term commitment to network operations. Mathews’ (2006) perspective of internalisation underscores the need for the emerging market firms to leverage network benefits and to generate learning, which signals a critical role for governance and strategic monitoring. Governance mechanisms would be necessary in both regionally similar and advanced firm network members, to build the leveraging ability of the internationalising firm to use the network.

The dimension of gaining experience and co-creating synergistic benefits is facilitated by the extent of knowledge exchange between partners and the motivation of the network seeker. According to studies of aggressively internationalising Indian firms (Mathews, 2006; Bangara et al., 2012), the motivation of the firms is to gain resources they lack. Also Mathews (2006) argues that the choice of network partner by the emerging market firm is based on the emerging market firm’s prior knowledge of the potential partner firms in the global economy who can give them access to resources. Drawing on this argument, the dimension of creating synergistic benefits is explored prior to choosing the network partner, and will also be based on the condition of the partners being open to synergy options. Joint synergy options would be explored in the network formulation stage and during ongoing knowledge exchange between the partners where the opportunity to gain further synergy options would emerge. Therefore the proposed model does not include the dimension of gaining experience and co-creating synergistic benefits as another area of common platforms for adaptation.

In the context of introducing adaptive mechanisms information exchange routines and strategic monitoring assume a predominant role. Drawing on this reasoning, the elements of Dyer and Singh’s model (1998) that would be integrated in the proposed adaptive framework are information exchange routines and strategic monitoring.

According to Dyer and Singh (1998), information exchange routines refer to two aspects, one being the firm’s ability to institutionalise specific processes that enable inter-firm knowledge transfer which is the firm’s absorptive capacity and the second is an incentive mechanism that encourages a transparent, constant and mutuality based exchange devoid of opportunism between the network members. The previous literature
review in Chapter Two classifies the Asian network seekers as social gain oriented and that trust is built through sociability. The review also highlights the fact that the networks are regionally dependent, and the Western network seekers are more capital gain oriented and build trust based on rational business goals (Jansson, 2007a; Huggins, 2009). Drawing on this argument and the previous literature review on national cultural and institutional differences between Eastern and Western markets, the trust mechanisms in the case of a network involving Eastern and Western counterparts would involve specific adaptive measures.

Strategic monitoring includes the ability of the firms to introduce governance between themselves without involving external agents, and secondly that these are more informal rather than contractual which could prove to be restrictive (Dyer & Singh, 1998). The dimension of information exchange routines and strategic monitoring is based on relationship aspects rather than contractual arrangements. In the case of Indian networks, which are regional and have the benefit of cultural similarity, the element of trust would flow through this set of dimensions being established providing the relational benefits. However in the case of networks of the Indian firms with the more advanced market firms with a Western orientation, the trust is not established through these relational dimensions and needs to be created through specific dimensions which will be discussed in Section 3.4.

The parameters of information exchange and strategic monitoring are classified as common platforms in the adaptive framework developed for this study, and they are applicable to any type of network, with the implication being that for a network to be maintained these common platforms need to be created. However, in the case of regionally proximate networks, the assumption is that there would be ease in creating information exchange routines and strategic monitoring due to the firms entering the network from a similar background. The firms would have no need to invest in additional time and resources in understanding what processes would be appropriate due to the existing familiarity, lower risk and uncertainty. Hence, the investment by the firm in creating these common platforms is low.

Conversely, for partners from advanced markets, it becomes essential to include a common platform for areas requiring adaptation. The factor of psychic distance involving lack of familiarity in business and cross-cultural factors would require the
network seeker to invest time and resources in determining which mechanisms are appropriate. This implies that in addition to introducing mechanisms for knowledge sharing and effective strategic monitoring, the firm has to make a commitment to take a risk, and deal with the unfamiliar by introducing appropriate mechanisms. The unfamiliarity, risk and uncertainty require specific adaptive mechanisms, leading to additional investment in these areas.

The intensity of adaptation is conditional on the spatial dimensions of proximate or distant collaborative partners.

3.3. Cross-Cultural Differences in International Networks

In their cross-cultural study of inter-firm networks between Australia and China, Perry and Batonda (2003) highlight the importance of understanding cultural differences and the introduction of cultural management to enhance and develop superior inter-firm network relations. This element is integrated within the conceptual model for the study as an essential element of adaptation processes.

3.4. Trustful Relations, Institutional Context and Organisational Learning

The focus of creating trustful relations, as discussed by Jansson (2007b) in Chapter Two, introduces the difference in approaches to networking and internationalisation in the East and West with regard to their reliance on different trust elements. Jansson’s (2007a) analysis of the institutional environmental context indicates a learning and adaptation process to institute routines, although in the context of differing partner values, norms and thought styles. The construction of appropriate organisational routines is then conditional on an understanding of the values, norms and thought styles between the home and host country partners. Of special significance, is the countering of negative stereotyping and the constant need for creation of legitimacy by the Indian firms due to late entry and lack of familiarity of operating in international contexts as prior to 1991 their products and services were developed in a protectionist environment (Bangara et al., 2012).
Drawing on the significance of cross-cultural management, the model introduces this as a specific platform of adaptation that firms need to focus on in order to build the component of trust in the relationship. This, however, is a complex element including the matching of norms, values and thought styles and is based on an understanding of the differences and introduction of bridging processes, as identified in Jansson’s (2007b) analysis of these differences. Jansson (2007b) proposes that this requires a matching strategy which refers to the creation of a fit between the differences in the norms, values and thought styles of Eastern and Western partners.

This dimension of building trust also exists in the case of networks involving proximate partners. However, the proximate network partnerships do not require specific platforms due to the absence of a need for a matching strategy as familiarity exists as to how trust is built into the relationship due to similarity in values, norms and thought styles.

3.5. Linkage, Leverage and Learning in Internationalisation

Mathews (2006) advocates the approach of firms who are newly internationalising as seekers of networks, depending on resources from external partners to capitalise on opportunities emerging outside their domestic boundaries—the linkage concept. Additionally the newly internationalising firms seek resources that have the capability of providing competitive leverage. Recurring application of these processes enables organisational learning. The outcome that is proposed in the model is one of successful internationalisation by Indian firms. The aspect that is synthesised from Mathews’ (2006) internationalisation framework is the component of “Outcome” that is internationalisation which is generated through linkage, leverage and learning. This is associated with the other two parts of the proposed model which are adaptation areas and level of adaptation.

According to Mathews (2006) internationalisation is conditional on LLL. It is essential that firms apply either common or specific platforms to design a match with their partners that facilitates the creation of successful linkage, and enables the firm to leverage and create a foundation for ongoing learning to be instituted. The proposed model indicates that it is necessary to introduce the adaptive mechanisms in the relevant adaptive areas. The level of investment in adaptation is conditional on the nature of the
partners. Finally, this investment in the adaptive mechanisms generates the outcomes of linkage, leverage and learning.

3.6. Integrated Theoretical Model

The model proposes that the firm is in a position to review the ease of adopting a regional approach versus a distant approach. This is based on its capability in introducing adaptive mechanisms through investment in time and financial resources before it can accrue the gains of internationalisation. The assumption is that in the case of proximate markets, the firm seeking collaboration would be culturally and institutionally better aligned with its partners. Such a partnership therefore would not require additional adaptive mechanisms other than those required for building of knowledge sharing and the creation of effective governance mechanisms to gain relational rents from their network partners, which would lead to the characteristics identified in the LLL model of internationalisation.

However when the firm thinks in terms of building linkages with regionally and institutionally diverse network partners, the implication is that the firm needs to assess its capability in introducing adaptive mechanisms beyond those necessary for building relational rents. The question for the firm is to assess whether it can build these linkages and convince its partners also to adopt behaviours of cultural and institutional synchronisation.

The literature reviewed in Chapter Two highlights the existence of options for the Indian firms in terms of their internationalisation opportunities. The integrated model outlines the implications based on the nature of adaptive mechanisms that a firm would need to be aware of and incorporate, in order to maintain effective network relations and gain the benefits of relational rents from its international partners. The model incorporates the requirements of adaptive mechanisms in either of the two types of network structures:

- Regionally similar partners - ease in adaptive mechanisms
- Regionally distant partners - complexity in additional adaptive mechanisms
Previous theoretical models have not explored specific contextual elements and their impact on the internationalisation process through a network strategy. The integrated model on which this study is based incorporates the specific context of internationalisation opportunities for firms from emerging markets like India, by including distinctive characteristics of these emerging markets. The elements that emerge due to the specific context are cultural and institutional differences between the Indian and Western market firms. The pursuit of internationalisation ambitions by the Indian firms would be conditional on their being able to build strategies to create a fit with the cultural and institutional diversity of their Western counterparts.

The analysis of the networks perspective in the literature review in Chapter Two has indicated that there are major strategic gains for a firm in a strong network (Dyer & Singh, 1998; Zaheer & Bell, 2005). From the context of moving to international markets, Indian firms have traditionally been competing more on a cost basis rather than specific leading-edge technological advantages (Elango & Patnaik, 2007). However to attain a competitive position in key markets requires other avenues of advantage, for instance innovation. Considering the newness of markets these firms are entering, being part of a dynamic network could be a valuable link in their cross-border operations. Therefore the pursuit of competitive advantage through a networks strategy for internationalising firms from India also implies seeking partners that can assist them in overcoming their limitations, and leverage resources from partners to gain advantage in new markets (Mathews, 2006).

The link that has been built in the previous chapter between institutional (Jansson, 2007b), spatial (Westland & Bolton 2003; Capello & Faggian 2005; Knoben & Oerlemans, 2006; Lorenzen, 2007; Tallman & Jenkins, 2007), and networks offers a perspective on India's internationalisation in the current context of transition in its economy. The premise within the proposed model is that a network structure would impact the adaptive mechanisms thereby introducing the role of regional (Collinson & Rugman, 2007) and global dynamics (Elango & Patnaik, 2007) as well as culture (Tse, Pan, & Au, 1997; Batonda & Perry, 2003). Hence based on a geographical and locational perspective, Indian firms would be facing the challenge of countering negative stereotypes against them and seeking legitimacy on the one hand and cultural compatibility on the other (Bangara, Freeman & Schroder, 2012).
The increasing support for linking the resource-based view and the network concept (Zaheer & Bell, 2005) implies a different premise, which is incorporated into the model, that in order to internationalise through external networks, Indian firms need internally to include collaborative mechanisms (Dunne, 2008) that build compatibility with diverse network partners and enable them to leverage network resources (Mathews, 2006). The greatest strength of the networks that firms from India have is said to be their relational strengths (Sikorski & Menkhoff, 2000; Khatri, Tsang & Begley, 2006). As detailed in the previous chapter, trustworthiness in a network is established more by individual and social determinants in Eastern firms’ networks; however, the approach by Western counterparts to trustworthiness is based more on organisational and professional links within the networks (Jansson, 2007b). These differences in trust development approaches are a further premise that is included in the conceptual model.
Figure 4: Emerging network structure and adaptive systems in internationalisation of Indian Firms
3.6.1. Proximity in Network Partners (Geographical, cultural and institutional)

The traditional strengths of Indian businesses in building relations using individual and social contacts may be used in seeking out proximate network partners with reference to geographical closeness, institutional and cultural similarity. The network partners chosen would be from countries like Malaysia, Indonesia, and China giving regional, cultural and institutional compatibility. Aron, Clemens and Reddi (2005) suggest that both geography and culture impacts upon cross-border network relations; on this basis it can be argued that compatibility already exists between these network partners and therefore the adaptive mechanisms would be oriented towards information sharing and effective strategic monitoring.

Proposition 1:

*The greater the proximity of chosen network partners by the Indian firms, the lesser the need for complex adaptive mechanisms and thus the greater the ease in linking, leveraging and learning in the internationalisation of Indian firms.*

The proposition is based on the extensive support that exists in literature on networks from Asia, which depend on social contacts to extend their operations beyond domestic borders. For instance personal networks are instrumental in foreign Chinese family-owned firms being established in South-east Asia (Ahlstorm, Young, Chan & Bruton, 2004) and Prashanthanam (2011) proposed co-ethnic ties which facilitate immediate links in foreign markets for the small and medium sized firms in their internationalisation. Lorenzen (2007), and Knoben and Oerlemans (2006) suggest that geographical proximity facilitates firms in establishing repeated contacts that set up their social connections.

Proposition 1a

*The greater the proximity of chosen network partners by the Indian firm, the greater is the ease in building the common platforms of adaptation areas of network relations.*

The literature review in the previous chapter has provided extensive support for the similarities that exist between network operations of firms operating in the Asian region in terms of national cultural and institutional factors. However the literature also suggests the need for collaborative processes to facilitate network relations and gains to be accrued from network operations. Based upon the discussion of Dyer and Singh’s
model of determinants of inter organisational competitive advantage (1998), and Johanson and Mattsson’s model of relationships and interaction in industrial markets (1987), the collaborative process would require common adaptive mechanisms to be introduced by the Indian firms.

3.6.2. Non-proximity in Network Partners (Geographical, cultural and institutional)

Proposition 2

*The greater the geographical, cultural and institutional distance among network partners, the greater the need for a specific platform of adaptive mechanisms, in addition to common platforms and consequently, the greater the difficulty in achieving linkage, leverage and learning in the internationalisation of Indian firms.*

This proposition is based on the global ambitions of Indian firms necessitating greater competitive advantages than those arising from traditional cost advantages. Firms therefore will consciously seek out stronger, innovative and technologically sophisticated firms from advanced markets (Mathews, 2006; Elango & Patnaik, 2007). A study by Batonda and Perry (2003) of an international linkage between an Australian firm and a Chinese firm suggests that each party needs to be culturally adaptive to the other to maintain the network. The Indian firms, when aiming for network partners from advanced nations like the U.S.A, U.K, Australia, New Zealand etc, would be dealing with uncertainty, risk and unfamiliarity. Also the studies by Jansson (2007b) of Eastern and Western market firms highlight the differences in norms, values and thought styles, towards building trustworthiness. The diversity of partners in such collaborations indicates a high need for introducing specific adaptive mechanisms. The institutional differences introduce the need to create positive perceptions about Indian products and services and also acceptance by advanced market firms, signalling the need for adaptive mechanisms focused on dealing with the institutional voids (Hoskisson, Eden, Lau & Wright, 2000; Carney, 2005; Wright, Filatotchev, Hoskisson & Peng, 2005; Jansson, 2007a; Bangara et al., 2012).
Proposition 2a

The greater the non-proximity (cultural) among network partners, the greater the need for a specific platform of adaptive mechanisms, in addition to common platforms to create compatibility between norms, values and thought styles among network partners from advanced markets.

Hofstede (2007) proposed that the resolution of management issues is in the context of values, norms and culture of a particular society or nation. The literature review in the previous chapter extended the management of network relations as based within the purview of the cultural and geographical background of the network participants (Batonda & Perry, 2003; Aron, Clemons & Reddi, 2005; Carney, 2005). Jansson (2007b) also presents the national cultural perspective with reference to creation of trust among network partners as different between the Asian and Western counterparts. The Indian firm would need to understand the differences in norms, values and thought styles and introduce specific adaptive mechanisms to address the differences.

Proposition 2b

The greater the non-proximity (institutional) among network partners, the greater the need for a specific platform of adaptive mechanisms in addition to common platforms to counter negative stereotyping among network partners from advanced markets.

Mathews (2006) proposes that firms from emerging markets face the challenge of foreignness in international markets, which is heightened due to the negative perception of the global reputation of firms from emerging markets. The internationalisation from this region as the literature review in the previous chapter has identified, is of an aggressive nature and firms are entering the international markets with a long-term strategic commitment from early stages (Wood et al., 2011). Also the literature review built on the moral dilemma that firms face regarding the potential partner’s behaviour and the view that the firms settle this dilemma by depending on their knowledge of the institutional context of the partner firm (Gulati, 1998). Given the context of institutional voids of Asian markets (Hoskisson, Eden, Lau & Wright, 2000; Carney, 2005; Wright, Filatotchev, Hoskisson & Peng, 2005; Jansson, 2007a), the negative perception becomes more pronounced for the Western market firms signalling the need to create a
positive perception of the Indian firm’s operation with their advanced market network firms.

Proposition 2c

The greater the non-proximity (institutional) among network partners, the greater the need for a specific platform of adaptive mechanisms in addition to common platforms to create legitimacy among network partners from advanced markets.

This proposition is based on the concept of legitimacy in itself being a resource which is required by a new operation to be successful (Zimmerman & Zeitz, 2002). Legitimacy can be created by the new business taking strategic actions, and these strategic actions are specifically required because this is what they lack (Zimmerman & Zeitz, 2002). According to Bangara et al. (2012), the aggressive internationalisation of Indian firms requires them to introduce legitimacy specific measures to seek advanced market firms due to their newness, and to create the belief that they are capable of coping with the institutionally advanced structural system of these markets. The suggestion is that the Indian firm would need to expend time and effort to quickly overcome their newness in the advanced markets and build greater legitimacy with the network partner. Hence the firm would need to institute learning based on specific legitimacy-creating adaptive mechanisms. The legitimacy and successful networking in one advanced market is what the Indian firm seeks in its internationalisation to leverage it into other advanced markets (Bangara et al., 2012)

Proposition 2d

The greater the adaptation to cross-cultural and institutional factors, the easier it is to address the different approaches used by the Indian firm and its advanced market network partners in building trust. The greater will be the level of investment in adaptive mechanisms. This will result in Indian firms building successful network linkages with advanced market firms, giving the Indian firms greater ability to leverage providing greater learning and in turn leading to greater success in internationalisation.

The literature review in the previous chapter highlighted trust as a pre-condition for network gains to be accrued (Huggins & Johnston, 2010). The dimensions of cross-culture and institutional differences between network partners from the East and the
West also suggest that the firms use different trust-building approaches ranging from social motivation to rational business goals respectively (Jansson, 2007a; Huggins, 2009). Based on this argument, the proposition is that the adaptation introduced to address the cultural and institutional factors would facilitate ease in building trust. The trust generated would allow the linkage to be built, which in turn would be leveraged to other advanced markets and create successful learning, according to the LLL internationalisation theory indicated by the literature review (Mathews, 2006).

The model forms the basis for the qualitative analysis that would test the practices being adopted by the sample group of case study organisations and their internationalisation. Due to constraints of time and resources this study involves testing Proposition 2 and its sub-propositions 2 a, b, c and d over the non-proximity dimension. The next chapter outlines the research methodology that will be adopted to examine these propositions.
Chapter 4. Research Methodology

4.1. Introduction

The review of extant literature in Chapter Two revealed the diverse perspectives involved in the internationalisation of Indian firms. After adopting these perspectives in Chapter Three a model integrating the elements of adaptation in networks and internationalisation was conceptualised. In this chapter the research questions and the objectives will be revisited, followed by a discussion on the research methodology used in this study. The challenges during the process of data collection in the study are also outlined. Finally, the implications of the challenges in data collection for the research are discussed.

4.2. Research Objectives

The focus of this study is on the internationalisation of Indian firms entering diverse markets using network strategy. Literature in the field of international business has revealed gaps in the strategies that are applied by internationalising firms in emerging nations. The challenges in facilitating network relations through the role of diverse adaptive mechanisms in the context of non-proximate network partners have not been examined in extant literature. The overarching research question in this study aims to address this gap in the literature.

The research question asks: “What is the role (need and relevance) of adaptive mechanisms in network strategy of an internationalising Indian firm?” In view of this primary research objective, the following are the dimensions that are analysed in the study:-

1. The role of adaptive mechanisms in the choice of network structure in terms of collaborating partners from psychically and geographically proximate or distant background.

2. The impact of adaptive mechanisms on the level of investment the firm has to make to maintain the network relationship.
3. The outcomes of the investment made in the adaptive mechanisms on the following:

a. The nature of linkages that develop between the network partners.

b. Benefits for the firm from leveraging the linkages in their international markets.

c. Facilitation of the internationalisation process through the learning that occurs.

The study aims to develop a model from responses to research questions, based on network combinations of geographically distant partners. While including regionally similar partner networks would have been desirable, due to limitations of time and financial resources this study examines in depth only one network combination, that is, networks between Indian and Western counterparts.

4.3. Philosophical Assumptions Underlying the Research

This study is based on the interpretive, constructivist paradigm, which refers to the basic belief that individuals construct their own reality, and that this interpretation of reality introduces the possibility that people may bring diverse responses to situations which are basically the same (Gage, 1989; Guba & Lincoln, 1994). The aim of this study is to understand the dimensions of internationalisation emerging from Indian firms using networks with diverse partners, rather than to make predictions. Hence a descriptive/interpretive approach provides a relevant framework to address the research question which is specific in context and time (Diaz, 2009). It is this paradigm that guides and impacts on the choice of research methods used in this study to arrive at answers to the research question.

A qualitative approach to the research is chosen to carry out this study, as the purpose is to develop a rich explanation (Gilmore & Carson, 1996; Perry, 1998) of how firms in India are using network strategies to internationalise. The purpose of this research is more descriptive than prescriptive and oriented to theory building rather than theory testing (Yin, 2009), thus the qualitative approach is considered suitable.

Yin (2009) proposes that the case study approach has been a popular method in different disciplines like psychology, sociology, political science, business and others to explore knowledge relating to the individual, groups, communities and organisations. For this study, a case study approach is deemed suitable, firstly as the research
questions aim to explore the “how” and involve a contemporary phenomenon (Eisenhardt, 1989; Perry, 1998; Yin, 2009). Secondly, the case study approach provides the scope to develop an in-depth elaboration (Yin, 2009) of the network approaches used by Indian firms. Finally, in addition to using it as an exploratory tool, the case study approach would also be used to describe (Yin, 2009) the nature of investments in adaptive mechanisms, relational or network gains and the generation of internationalisation outcomes. Hence, as elaborated by Yin (2009), the “what” research questions in this study are not about “how much” or “how many” but rather about describing what types of investments are made and what types of relationships emerge. Hence, the case study approach is especially relevant to theory building in the context of internationalising Indian firms, as existing literature has not generated an extensive description of this emerging phenomenon (Ramamurti, 2009).

According to Eisenhardt (1989), no prior theories exist in some case study approaches. However adopting Yin’s (1989) recommendation, in this study a preliminary theoretical conceptual model has been developed and presented in Chapter Three. The literature review in Chapter Two was used to develop the conceptual framework which describes the internationalisation of Indian firms. Miles, Huberman and Saldana (2014) suggest that the development of a conceptual framework at the beginning of a research project gives the researcher the benefit of selecting variables that will have an impact, allow examination of the relationship between them, and ultimately the nature and extent of that impact. The conceptual framework developed in this study identifies important constructs relating to application of the network strategy in the internationalisation of Indian firms. The constructs are: (a) adaptation areas; (b) level of adaptation; and (c) the outcomes in internationalisation. The development of the model involving prior theoretical propositions facilitates the process of data collection and analysis (Yin, 2009; Miles, Huberman & Saldana, 2014).

Qualitative researchers have argued over the benefits of tighter design approaches in comparison to looser design approaches. However, according to Miles, Huberman and Saldana (2014), each approach involves a trade-off of benefits requiring the researcher to choose which end of the continuum to opt for. A tighter research design refers to systematic and directional influence through a conceptual or theoretical framework for the research (Bechhofer & Paterson, 2000). Alternatively, a looser research design includes very minimal direction and focuses on continual and imaginative options being applied in situations which are poor on theory and where the focus of the research is on
theory building (Bechhofer & Paterson, 2000; Dawson, 2002). This study opted for a tighter research design in order to arrive at conclusions on the prior developed constructs. The tighter research design also enabled the researcher to balance the constraints of time and financial resources involved in this study. However, Eisenhardt (1989) and Miles, Huberman and Saldana (2014), state that if the outlined constructs prove to be as relevant as the research progresses, stronger empirical support to such constructs is provided.

4.4. Sampling Method

Patton (2002) states that purposive sampling involves selecting instances of information rich cases which assist in providing insights to the issues and questions. Hence, purposive sampling was applied, based on the research criteria. The unit of analysis is the firm based on its network structure in internationalisation. The selection criteria (Patton, 2002; Yin, 2009) include the ownership and geographical location of the firm in India with network partners in culturally and institutionally distant markets such as the U.K. and the U.S.A. Guidance in selection of the firms was based on the firms’ history of using networks beyond national boundaries.

The sample size in a case study design should be adopted on the basis of the nature of information that is sought by the researcher, the aim, usefulness, credibility and the limitations of time and resources (Patton, 2002; Rowley, 2002; Miles, Huberman & Saldana, 2014). Since in-depth information was required, a small number of information rich cases were selected. Multiple cases provide the opportunity for further evidence and introduce robustness to the research outcomes (Eisenhardt, 1989; Rowley, 2002), hence a multiple case design was deemed suitable for this study.

When compared to other methods such as surveys or experiments, the multiple case study method was chosen not to provide generalisations across populations of organisations, but to systematically replicate the investigation of the research issues across the organisations (Rowley, 2002; Yin, 2009). This is based on the need to generate external validity which refers to how well the results of a specific study may apply to other studies (Diaz, 2009). Yin (2003) also agrees, when stating that the interpretive researcher may subscribe to this view, and believes that qualitative case study results can be generalised to some broader theory.
Thus the question that now arises is: how many cases are appropriate for a multiple case study design? In order to generate richer research findings, six cases of Indian firms were selected, falling within a suggested range of 4-15 (Eisenhardt, 1989; Perry, 1998; Rowley, 2002; Miles, Huberman and Saldana, 2014). The cases selected were based on prior knowledge of the firms as well as the industries in which Indian firms have successfully made inroads into international markets such as information technology, manufacturing and the services sector (Ramamurti, 2009). The interviewees were chief executive officers (CEOs)/owner-founders/partners managing the firm’s internationalisation, based on their experience in setting and managing networks for their organisation. All of the firms involved in the study were small and all of the internationalisation decisions were taken by the founder and/or CEOs, thus the interviews involved only six participants, one from each case study firm.

4.5. Data Collection

To counter the traditional bias of lack of a disciplined and systematic method against the case study approach (Yin, 2009), the data collection process includes triangulation by using multiple sources of information (Collis & Hussey, 2003). The basic source of information is from the multiple cases selected, with each case forming a different source of data triangulation (Collis & Hussey, 2003). The information was collected from semi-structured interviews with CEOs/owner-founders/partners managing the firm’s internationalisation which provided the opportunity for corroboration. In addition, information was collected from public documents drawn from media articles, official reports, websites, annual reports, published reports of government organisations. These multiple sources of information provide triangulation, to improve the reliability and validity of the study. An interview and case study protocol is adhered to, as outlined in Table 1, establishing further reliability (Eisenhardt, 1989; Rowley, 2002).

All interviews were conducted in a sequential e-mail interview process (James & Busher, 2006) to give the participants an opportunity to include in-depth descriptive answers regarding their experiences in managing diverse networks. As opposed to the method of Skype, the e-mail approach was adopted to give the participants the opportunity to provide reflective answers and supply information they may not have
readily available (Cooke & Saini, 2010). According to Berg (2007), the e-mail interview process removes the fatigue of a long interview process. As in this instance the respondent was able to answer the questions in their own time, especially as the questions were split into two sequential sets. This method facilitates contact with busy subjects by the researcher, and not having to set a common contact time is also an advantage (Cooke & Saini, 2010). Due to practical constraints of distance and different time zones, the e-mail interview process proved the most practical approach for this study; these interviews also eliminated the need for transcription, as the responses were already in electronic form (Coleman, 2012).

Qualitative interview questions in the form of online interview sets with the attached link were e-mailed to each of the participants. These interview questions were outlined in two sets, the participants initially responding to Set-1 which included eight questions. This was followed up by e-mailing the second set of questions (Set-2), which had a further eleven probing questions on the research topic. Responses to supplementary questions were sought from Beta (pseudonym for one of the case study firms) which proved to be an exception case for the research constructs, based on a preliminary analysis of the two sets of questions. Responses to supplementary questions were also sought from Alpha (another case study firm) in the context of the role of the international achievements of the founder member on network relations. This was done by outlining the specific queries in a follow-up e-mail. Preliminary analysis was done within a week of completion of the e-mail interviews through a summary sheet for each participating firm (refer Appendix F), to enable relevant supplementary information to be sought where necessary. This sequential e-mail interview process is akin to a face-to-face in-depth interview (Cooke & Saini, 2010).

The literature review conducted in Chapter Two formed the foundation of the e-mail interview questions. The theoretical constructs of common platforms developed in the model in Chapter Three, based on the adaptation processes in network relationships in Dyer and Singh’s model of relational rents (1998) and Johanson and Mattsson’s (1987) inter-action exchange processes, were the basis of Set-1 questions. Furthermore the theoretical constructs of specific platforms based on Perry and Batonda’s (2003) adaptive mechanisms in cross-cultural networks, and Jansson’s (2007b) integration of institutional and network dimensions, were the basis of the probing questions in Set-2.
In addition, the interview questions included the dimensions of the linkage, leverage and learning (LLL) model of internationalisation (Mathews, 2006) which was integrated into the conceptual model as developed in Chapter Three.

Online interview questions were pre-tested for technical compatibility and clarity by three academics and two practitioners. Based on their responses minor changes were made in the link provided and the titles of the two sections of the interview questions.

However, the e-mail interview process raises many ethical concerns in the process of collecting and storing records (James & Busher, 2006). The main concern is of maintaining the privacy of the individual, which was addressed by ensuring the informed consent of the participants (Elgesem, 2002; James & Busher, 2006). In order to reassure the participants regarding any fears over protection of an e-mail system, the participants were informed of the e-mail interview policy adopted by the researcher as in Table 1. Furthermore, the issue of authenticity of information provided by the participants was addressed by systematically and chronologically storing the e-mails, and asking supplementary questions where relevant, throughout the interview process (James & Busher, 2006).
Table 1: Rubric for e-mail interviews with Participants

<table>
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<tr>
<th>I. The interviews would be conducted with strictest confidentiality by assuring the participants of the following</th>
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<tr>
<td>- The purpose of the research through clear disclosure of the details of the research by sending the potential participant firms the participant information sheet (see Appendix-B)</td>
</tr>
<tr>
<td>- The individual participant’s identity and the firm’s identity will not be disclosed at any point during and after the research as outlined in the participant information sheet (see Appendix-B).</td>
</tr>
<tr>
<td>- Also by assuring the participating firms on the authenticity of the researcher by referring to the AUT ethics approval granted to the researcher (see Appendix D) as mentioned in the participant information sheet (see Appendix-B).</td>
</tr>
</tbody>
</table>

| II. During the research project, the participant will be emailed a Set-1 of questions; followed by Set-2 questions sequentially through an online interview form |

| III. The interview process could stretch over a few weeks, ranging from seeking consent of the participant to e-mailing the link for both Sets of questions. |

| IV. It is anticipated that a continuous interaction may emerge, involving supplementary questions based on participants’ responses to original questions. |

(Adapted from James & Busher, 2006)

To facilitate the data analysis process, data integration was carried out as follows:

- Integrate the interview data with information from secondary sources regarding the case study organisations
- Create the data base including all the field information
- Conduct data analysis

(Adapted from Alam, 2005).

Furthermore, the participants’ concerns regarding the researcher quoting statements made by them and also dissemination of information contributed by them (Elgesem, 2002), was overcome by using code names as psuedonyms for the organisations, as
well as for the participants. The code names used for the organisations were Alpha, Beta, Gamma, Delta, Epsilon, and Zeta. Similarly for the individual participants from the firms, since in most cases the response was from founders or partners they were identified through codes like A from Alpha organisation, B from Beta organisation, G from Gamma, D from Delta, E from Epsilon, and finally Z from Zeta. Above all, it was emphasised to participants that information given by them is purely for research purposes. Participants are also given access to the final report, in order to build collaboration and trust in the process of gathering information for research. Ethical approval was required from AUT for the data collection through the e-mail interview process, and this approval was gained (refer to Appendix D).

Data was collected between the months of October 2013 and March 2014. The sampling frame used was compiled from a variety of sources including databases, Kompass, company websites, media articles, newspaper publications and the researcher’s prior knowledge of the firms. This was mainly because of a lack of reliable databases in emerging markets with contact details of relevant CEOs of small organisations and entrepreneurial firms (Hoskisson et al., 2000). The researcher also had to depend on prior personal contacts with organisation participants, without which it would have been difficult to gain access to firms, especially in countries like China and India (Cooke & Saini, 2010). Organisations were selected from the promising sectors of information technology, health, service and manufacturing sectors, where there has been extensive internationalisation by Indian firms in the last decade (Ramamurti, 2009). Indian organisations that met the criteria of internationalisation into advanced markets were screened through the profiles of the organisations in the sampling frame.

According to Hoskinson et al. (2000), poor response and the absence of a research culture makes the process of gathering primary data a cumbersome undertaking in emerging markets. An invitation and participation request letter was sent to 117 firms, large and small in promising sectors as outlined above; of these potential participants 15 firms accepted the initial invitation. Before conducting the interviews the CEOs/ founders of the 15 firms were sent an information sheet outlining the purpose, extent of commitment required and the opportunity for participants to seek any further clarification on the research (refer to Appendix B). This was accompanied by a consent form which was e-mailed asking the participants to sign and send it back to the researcher (refer to Appendix C).
Nine organisations withdrew as the research progressed. Two of the 15 gave reasons— a personal crisis for one CEO prevented further participation at that point in time; another CEO expressed difficulty in understanding aspects referred to in the interview questions, which managers from developed markets are familiar with, and chose to withdraw from the study. As indicated by Hoskisson et al. (2000), this is a common problem in data collection in emerging markets. Others simply did not respond to the interview questions provided in the link, despite constant reminders. Due to time constraints, having reached the sample target of six firms, and as the study was exploratory, no further firms were contacted. This approach was time consuming, however it is far superior to a convenience sample and is focused towards selecting organisations that meet the research criteria of including firms that are internationalising from India into advanced markets using a networking strategy, hence providing a purposive sample (Hitt, Boyd & Li, 2004).

Hoskinson et al. (2000) state that research on strategic aspects requires subjective information to be collected from founders/CEOs or directors of companies. These authors agree that in emerging markets it is difficult to corroborate data by seeking responses from other managers within an organisation, as senior management tends to monopolise the flow of information. This was a major issue for this study, and hence the need for corroboration of concepts generated through cross-case analysis between the six firms that participated in the research. Another reason for lack of other participants from each firm was that all the firms involved in the study were small and all the internationalisation decisions were taken by the founder members and or CEOs, thus the interviews involved only these participants.

4.6. Data Coding and Analysis

The analysis of information was done on the basis of Miles and Huberman’s (1984) methods for interpreting qualitative data. Miles and Huberman’s (1994) methods involve the following steps in analysis:

A process of initially developing a set of codes which refer to “tags, or labels for assigning units of meaning to the descriptive or inferential information compiled during a study” (Miles & Huberman, 1994, p. 56). Or as defined by Dimmock and Lamb
(2012), codes are short and apt descriptors of lengthy descriptive data on inter-related complex information on any phenomenon. However, these initial codes were redefined or revised as the data was analysed, as some codes needed to be enlarged or changed as new information was received.

The interview data and other information from public documents, the company, company websites and reports were converted into matrix tables using the codes. Based on the matrix tables, pattern codes are arrived at. Pattern codes refer to “a way of grouping those summaries into a smaller number of sets, themes, or constructs” (Miles & Huberman, 1994, p. 69).

The next step was to identify the underlying emerging themes associated with the research constructs. Finally, the most important themes were selected based on the ability of the themes to answer the research questions. To make the findings robust, the researcher revisited iteratively the matrix tables, codes and themes substantiating them through evidence from interview data and secondary sources of data. Following the above steps as prescribed by Miles and Huberman (1994), the first step of coding was to create a prior coding list (refer to Appendix G) before carrying out the data collection based on the conceptual framework outlined in Chapter Three. This process also included the creation of a list of definitions for the codes (refer to Appendix H).

Based on further analysis of the responses dealing with stereotyping and legitimacy, the initial coding (refer to Appendix-G) was revised to “legitimacy not associated with stereotyping” – LNAS and “legitimacy associated with stereotyping” - LAS. Furthermore, pattern codes underlying the data were devised on the basis of data integrated from the findings of the specific platform of cultural aspects in Section 5.6 of Chapter Five and the firms’ websites and public documents. The pattern code derived was firm credibility in the case of legitimacy associated with stereotyping.

The critical question in generating meaning from the data collected was to ensure that the meanings derived were as free as possible from bias, credible, replicable and based upon rigorous approaches (Miles & Huberman, 1994). In view of these requirements a diverse range of tactics was used as outlined below (Miles and Huberman, 1994) in the analysis of data:
1. Noting patterns and themes to draw together separate bits of data.
2. Seeing plausibility which is like a pointer to initial conclusions.
3. Clustering which refers to creating categories of bits of data that seem to go together.
5. Counting, which assists a researcher to be analytically honest while assessing plausibility and to ensure meanings derived are bias free.
6. Making contrasts/comparisons which enables the researcher to test conclusions reached.
7. Partitioning variables by differentiating at different stages of the analysis which facilitates coherent descriptions and explanations.
8. Subsuming particulars into the general to move towards more abstraction and underlying general themes.
9. Factoring which assists in generating the general factor that is superior to the specific factors involved.
10. Noting relations between variables to discover how the variables are connected.
11. Finding intervening variables which involves looking for other variables that may impact upon two or more variables that go together.
12. Building a logical chain of evidence which involves systematically putting together a clear understanding of the data.
13. Making conceptual and theoretical coherence knit together the findings to explain the “how” and “why” of the research questions.

Yin (2003) suggests that the case study method involves a problem of creating an appropriate operational set of methods which refers to construct validity. The current study addresses the issue of construct validity by using two major sources of data: a) interview data from respondents b) public documents and websites of the case study firms. Internal validity refers to building relationships associated with causes that offer a plausible explanation of the relationship (Yin, 2003). In the current study, internal validity is established through methods used in the case study approach of building patterns, deriving explanations, addressing alternative explanations, and building rational models that depict the links between the variables being studied (Yin, 2003). Additionally, validity is augmented in the data analysis process by finding conceptual ties among codes to develop theory (Gregor, 2006). External validity which involves building the domain to which study findings may be generalised was done through
replication from the cross-case analysis (Yin, 2003). Reliability as suggested by Yin (2003) for the case study method was built by maintaining a systematic approach of collating all the data from each case study firm in the form of case study contact summary forms (refer to Appendix I). Though in the study prior constructs were developed in the form of the conceptual model outlined in Chapter Three, the principle of theoretical sensitivity which refers to a researcher being aware of the implication of subtle meanings embedded in the data (Strauss & Corbin, 1990) was applied during data analysis. The researcher searched for the subtle meanings by addressing subsequent questions to the respondents by referring to specific words used by the respondents in their initial responses. Another technique that was used by the researcher was to relate specific words used by the respondents to the theoretical constructs. As proposed by Urquhart (2001, 2007), the actual constructs generated through the data were compared with the prior theoretical constructs to arrive at a revised conceptual model.

4.7. Summary

A qualitative multiple case study approach was applied to address the research questions as outlined in the beginning of this chapter.

Data was collected primarily through a sequential e-mail interview process conducted with the CEOs and/or founder members and partners of the Indian organisations. Information from public documents and the company websites was integrated to form multiple sources of data, into a database of fieldwork. This was followed up with the analysis of the data using the techniques suggested by Miles and Huberman (1994) for qualitative analysis as outlined in Chapter Four, section 4.6.

The following two chapters present the findings and discuss the results of the research and reconstruct the conceptual framework based on the actual findings in the research.
Chapter 5. Research Findings

This Chapter provides a profile of the six organisations including a profile of the individual participants in terms of their role in internationalisation of the organisation. This is followed by the research results regarding the common and specific platforms of adaptive mechanisms, the level of investment in adaptation and impact on internationalisation in terms of linkage, leverage and learning. A discussion of these findings is presented in the next Chapter.

5.1. Case study Organisations’ Profiles

A summary of the case study organisations’ characteristics is outlined in Table 2. The characteristics summarised are sector, age, advanced markets, structure and size of the firms. The characteristic of advanced markets has been derived from responses to Question Two (Q2) from Set-1 of the first round of interview questions from the sequential interview process regarding the advanced markets in which the company operates (refer to Appendix E). The sector, age, structure and size of the firms was established by obtaining company information from the organisations’ websites, and subsequently confirmed in follow-up e-mails with participants.
Table 2: Summary Profile of Case Study Organisations

<table>
<thead>
<tr>
<th>Firm</th>
<th>Sector</th>
<th>Age</th>
<th>Advanced Markets</th>
<th>Structure and size of the firm</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Alpha</td>
<td>Health Services</td>
<td>4</td>
<td>America, Canada, Europe.</td>
<td>Small firm (less than 25 employees) Private limited organisation</td>
</tr>
<tr>
<td>2. Beta</td>
<td>Manufacturing sector</td>
<td>10</td>
<td>USA</td>
<td>Small family owned organisation with subsidiary business in USA. Privately held.</td>
</tr>
<tr>
<td>3. Gamma</td>
<td>Strategy and Information technology services</td>
<td>2</td>
<td>USA, UK, Switzerland, Australia</td>
<td>Small entrepreneurial firm Privately held.</td>
</tr>
<tr>
<td>4. Delta</td>
<td>Information technology services</td>
<td>1</td>
<td>USA, Sweden</td>
<td>Small entrepreneurial firm Privately held.</td>
</tr>
<tr>
<td>5. Epsilon</td>
<td>Information technology in the field of manufacturing and engineering services</td>
<td>14</td>
<td>USA, Germany, France</td>
<td>Small entrepreneurial firm Privately held.</td>
</tr>
</tbody>
</table>

Table 2 shows that four of the firms are relatively new having been in operation for between 1-4 years, and two firms are older having started more than 10 years ago. All of the firms are operating with network partners from diverse advanced markets ranging from the USA and Europe to the Asia-Pacific region. One firm is in the traditional manufacturing sector and five firms are from the service sector.
5.1.1. Types of Network Partnerships

Table 3 presents the different types of network partners of the case study organisations. The types of network partners were gathered from responses to a range of questions from both Set-1 and Set-2 of the first and second round of the sequential e-mail interview process, as well as other public documents, company websites and confirmation of the same by the participants.

<table>
<thead>
<tr>
<th>Firm</th>
<th>Type of network partners</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Alpha</td>
<td>Virtual contractors and experts.</td>
</tr>
<tr>
<td></td>
<td>International public and private, non-profit organisations.</td>
</tr>
<tr>
<td></td>
<td>Community based organisations.</td>
</tr>
<tr>
<td></td>
<td>Government and industry wide in telecommunication and health services.</td>
</tr>
<tr>
<td>2. Beta</td>
<td>Designers, raw material suppliers, logistics suppliers and end customers in the U.S.A.</td>
</tr>
<tr>
<td>3. Gamma</td>
<td>Diverse clients across industry sectors and markets.</td>
</tr>
<tr>
<td>4. Delta</td>
<td>Major global promoter of company’s entrepreneurial activities.</td>
</tr>
<tr>
<td></td>
<td>Large multinational organisation that provides opportunities for the firm as the system integrator for their clients worldwide.</td>
</tr>
<tr>
<td>5. Epsilon</td>
<td>Long standing client organisations spread across diverse industries.</td>
</tr>
<tr>
<td>6. Zeta</td>
<td>Small-businesses and mid-size global business clients</td>
</tr>
<tr>
<td></td>
<td>A multinational organisation with familiarity with the Indian business patterns</td>
</tr>
</tbody>
</table>

Table 3 shows that all of the firms have a relatively broad cross-section of network partners.
5.1.2. Distinctive Characteristics of Case Study Organisations

The following section presents information on the distinctive characteristics of the case study firms based on information obtained from responses to Q1 and Q2 from Set-1 and Q6 from Set-2, in the first and second round of interview questions from the sequential interview process (refer to Appendix E). Also the distinctive features were established through obtaining company information from the organisations’ websites (refer to Appendix F), and subsequently confirmed in follow-up e-mails with participants.

5.1.2.1. Distinctive Characteristics of Alpha

The organisation is led by its innovative, acclaimed and well recognised founder. The organisation has a number of firsts to its credit in the Indian market. The international exposure of the founder is high due to having studied/lived or worked in advanced markets and the founder is responsible for internationalisation decisions of the firm. The company has links with many profit and non-profit making international organisations in the field of mobile health technology spread across America, Canada, Europe, Africa and the Middle East. It has a highly acclaimed national reputation for delivering several innovative mobile technology based health services, with the founder a recipient of a number of awards. This a relatively young organisation, set up in 2010. It operates with a complex network of partnerships. The organisation has a strong emphasis on forging relationships with its network of partners to raise the level of innovation and service delivery in the field of mobile technology based health services. The innovations developed within the organisation are disseminated in partnership with a number of international non-profit organisations for educational and societal benefits in lesser developed markets.

5.1.2.2. Distinctive Characteristics of Beta

The founders have both technical and market knowledge in managing an organisation dealing in both sales and consulting in manufacturing equipment within the Indian market. The organisation deals with business-to-business (B2B) marketing and handles complex turn-key projects in diverse industries. The firm was established just under a decade ago in India. The organisation is a leader in the Indian market in its area of operation. However, it has a very limited presence internationally and its operations in the U.S.A. are closer to those of a start-up in the context of internationalisation. The general manager of the Indian branch of the organisation has extensive experience
through studying and working within advanced market environments, prior to becoming a partner of this family owned business.

5.1.2.3. Profile of Gamma
Gamma is an organisation dealing with consultancy services in the areas of strategy, marketing, sales, business modelling, and technological innovations. It operates through successful partnerships globally with operations located in India. As an entrepreneurial venture started two years ago in 2012 with a team of industry experts-the firm has a strong focus on developing collaborative partnerships industry-wide blending traditional and contemporary business practices. The network of the firm includes a client base which is managed virtually and stretches across different industry sectors, different geographies, and diverse firms in different phases of their lifecycle. The relationship with these clients begins with problem diagnoses through to successful completion of the project. The firm’s emphasis in communications with clients, both through group conferences as well as one-to-one processes, is on generating shared understanding with a focus on value creation (see Contact summary form-Gamma, Appendix I).

5.1.2.4. Profile of Delta
Delta is a very small (less than 10 employees) information technology based start-up organisation focusing on delivering different IT based services globally. The company aims to provide services globally by building effective partnerships with different organisations. It was started in 2012 with an onsite presence in two major cities in India and one in Asia. The entrepreneurial venture has had the backing of a major global IT organisation, as part of their activities of promoting entrepreneurial ventures. Also the company is partnering, as a system integrator and value added supplier, with another multinational organisation for their clients located in different markets. In the short span of its operation the company has successfully managed its links with these two major multinational organisations. The company also maintains a network of successful professionals in the IT field worldwide, to gain market and product knowledge through these networks.
5.1.2.5. Profile of Epsilon

The company was started in 1998 providing global software and engineering services. The company’s solutions are oriented towards delivering cost and optimal efficiency in their clients’ operations. The company focuses on establishing long-term relationships with a diverse mix of clients ranging from reputed organisations to small, niche players worldwide.

The organisation has specialised in providing technical expertise through a team of employees with a wide range of technical skills and experience in software development and aims to provide value creation services to its clients. The company’s network includes its long standing client organisations spread across diverse industries. Its major international markets are U.S.A. France and Germany. The company places special emphasis on customising its solutions and has installed processes within its operations to facilitate client engagement and transition to the new solutions designed to meet the client’s requirements. The founder of the organisation is focused on innovative technological options and solutions and is involved in networking extensively with like-minded professionals around the world to access knowledge on these technological developments.

5.1.2.6. Profile of Zeta

The organisation is relatively young having started in 2011, and offers IT services with a targeted focus on providing customised training and staffing solutions. The company concentrates on building culturally sensitive staff, aimed at providing services to their culturally diverse clients. The firm uses a business model the core strengths of which are an integrative and collaborative approach to the needs of their clients from diverse markets. The company facilitates the integration and collaboration process through both off-shore and on-shore developmental facilities for the training and staffing solutions they provide to clients (see Contact summary form-Zeta, Appendix I).
5.2. Profile of the Roles of Participants from the Case Study Organisations

Table 4 includes a summary of the roles of participants, derived from responses to Q2 in Set-1 of the first round of sequential e-mail interviews, which required participants to outline their role in the context of internationalisation decisions of the firm.

Table 4: Roles of Participants from Case Study Organisations

<table>
<thead>
<tr>
<th>Participant</th>
<th>Role of Participant</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>Founder responsible for all internationalisation decisions.</td>
<td></td>
</tr>
<tr>
<td>B</td>
<td>General manager (partner) in the Indian parent organisation, responsible for all internationalisation decisions.</td>
<td></td>
</tr>
<tr>
<td>G</td>
<td>Founder responsible for all internationalisation decisions.</td>
<td></td>
</tr>
<tr>
<td>D</td>
<td>Founder responsible for all internationalisation decisions.</td>
<td></td>
</tr>
<tr>
<td>E</td>
<td>Founder and leader of team responsible for all internationalisation decisions.</td>
<td></td>
</tr>
<tr>
<td>Z</td>
<td>Chief Executive Officer, founder responsible for internationalisation decisions in more than one major international market.</td>
<td></td>
</tr>
</tbody>
</table>

Table 4 shows that all the organisations are similar in that the founders are responsible for all internationalisation decisions, except in the instance of Epsilon where a team of managers is involved with internationalisation. However Epsilon’s founder is the leader of that team and the main decision-maker on internationalisation.

5.2.1. Distinctive Profile of Founder of Alpha Company

A distinctive profile of participant A was created from information obtained through media websites and the websites of the international organisations with which participant A is associated. Participant A’s association with the international organisations is either as a member, contributor and/or in occupying different positions. Further clarification on the role of the founder was obtained from participant A in a follow-up e-mail as part of the sequential interview process (see Contact summary form-Alpha, Appendix I). The follow-up question in the e-mail referred to the achievements of participant A in building effective network relations with advanced market partners.
Participant A is a recipient of global recognition in the form of awards and for leadership roles in international organisations in community and health services\(^1\). He/she is also considered one of the most influential leaders due to his/her role as an innovation leader in an international organisation, and as a panel member in a community organisation across Asia and Europe in the health services sector\(^2\). Participant A is regularly featured in publications of international organisations for his/her role in replicating innovations in various markets with international partners\(^3\). Additionally he/she has achieved international recognition, due to a pioneering role in transforming the role of IT, e-learning and information communications technology (ICT) projects in private/public sectors in India\(^4\).

5.3. Summary of Findings on Organisation Profiles and Roles of Other Participants

With the exception of Beta, all of the organisations focus on innovation and are led by entrepreneurs who are spear-heading the organisations’ internationalisation. Beta is family owned and was built on the basis of entrepreneurship skills contributed by the family members. Beta also deals with manufacturing operations while all of the other companies are in service delivery. The service delivery involves new emerging technologies in the field of information technology applied to different industrial sectors from health, pharmaceuticals, transport, financial services, manufacturing, engineering and communications. As noted in the preceding section, Alpha’s founder has received international recognition for innovation and achievements as a leader.

\(^1\) Newsle. (2014). *X Association’s 10th Knowledge Summit to unveil report on “Innovations in healthcare”* Retrieved from Newsle Website

Note: The actual name of the organisation and a code X is used and the Url is not disclosed in this thesis for reasons of anonymity and confidentiality.

\(^2\) Y Website. (2013). *10 (More) Influential ………* Retrieved from Y association website

Note: The actual name of the organisation and a code Y is used and the title and Url is not disclosed in this thesis for reasons of anonymity and confidentiality.

\(^3\) IPIHD Website. (2013). International Partnership for innovative healthcare delivery………. Retrieved from IPIHD website.

\(^4\) Informationweek. (2013). ……………………………………. Retrieved from information week website
5.4. Common Platforms

The common platforms as outlined in Chapter Three, Section 3.1, refer to the areas of adaptation that a firm would have to introduce in order to build network relations based on trust. The conceptual model proposes that information routines and strategic monitoring constitute the two areas of adaptation under common platforms. The term “common platforms” refers to the two areas of adaptation that would have to be introduced in all networks irrespective of their spatial dimensions to build effective network relations. The following section outlines the findings from the six case study organisations in relation to the common platforms.

5.4.1. Information Routines

The conceptual model which is based on Dyer and Singh’s (1998) model of inter-organisational competitive advantage, as outlined in Chapter Three, suggests that information exchange routine is facilitated through a firm’s absorptive capacity. Absorptive capacity refers to the ability of the firm to institutionalise specific processes that enable inter-firm knowledge transfer. Also information exchange routines involve a second factor of incentive mechanisms which refers to incentives that facilitate transparent (open sharing of information between network partners without any hidden agendas), constant (a regular and continuous process of exchanges), and mutuality (focusing on the interests of all the partners in the network) based exchanges devoid of opportunism between the network members.

Table 5 summarises the findings on the processes of communication and the number of firms out of the six Indian firms applying the processes. The information presented in Table 5 is based on the responses of participants to Q3 in Set-1 which sought information on the processes the Indian firms have adopted to exchange key information with advanced market network partner firms. All of the processes outlined in Table 5 are based on the words and phrases used by the participants (refer to Appendix I).
Table 5: Information Exchange Processes

<table>
<thead>
<tr>
<th>Information Exchange processes</th>
<th>Number of firms</th>
</tr>
</thead>
<tbody>
<tr>
<td>Team/group processes</td>
<td>5</td>
</tr>
<tr>
<td>Internet/e-mails/social media platforms/conference calls</td>
<td>5</td>
</tr>
<tr>
<td>Promotional material and company services as communication tools</td>
<td>1</td>
</tr>
<tr>
<td>Communication through the local wing* of the firm</td>
<td>1</td>
</tr>
<tr>
<td>One-on-one communication</td>
<td>1</td>
</tr>
<tr>
<td>Language and culture</td>
<td>1</td>
</tr>
</tbody>
</table>

* Subsidiary branch of the firm located in the advanced market.

Table 5 shows that with the exception of the processes of team/group processes and internet/e-mails/social media platforms/conference calls there is variety among the six firms with regard to their use of other information exchange processes. In the case of Beta, an exception was that communication with the advanced market network partner had to be through the local subsidiary of the Indian company in USA and in India with the local subsidiaries of the multinational U.S. supplier firms.

5.4.1.1. Team/group Processes
Two participants specifically mentioned the benefits of group processes in coordination, avoiding duplication, as well as benefits of generating synergy to leverage best practices and to create efficient communications with network partners.

5.4.1.2. Internet/e-mails/social media platforms/conference calls
A specific issue that was raised by participant A from Alpha, referred to the inability of partners to share full information over an electronic medium. The two main reasons were given by Participant A. One, the nature of information relating to medical case histories involving huge volumes. Second, whether the firm and its network partners had the ability to disseminate inter-organisational information across organisations with highly sophisticated technology as in advanced markets, to those with poor technological infrastructure as in developing markets.

5.4.1.3. Promotional Material and Company Services as Communication Tools
Participant Z from Zeta, indicated that the company’s mailers and brochures are also an effective tool in communicating with advanced market network partners on the services
provided by the company. The company’s network partners are mainly small-businesses and mid-sized global business clients but also include a multinational organisation.

5.4.1.4. Communication through the Local Wing of the Firm
Participant B from Beta, indicated that network partners insist on communication being maintained at the local level to create a better understanding of institutional requirements, both in India and in the advanced market. The Indian firm must ensure that in the U.S.A. communications are handled by their subsidiary company in that country, which is relayed back to the Indian parent company on a day-to-day basis. Similarly in India, the Indian parent company firm is required to communicate with the local branches of the U.S. multinational suppliers in India. The multinational suppliers believe that this is necessary to enable the Indian firm to meet the requirements of the strict regulatory procedures in the U.S.A., and also due to the inability of the U.S. multinational suppliers to deal with the multiple taxation and other tedious administrative processes in India.

5.4.1.5. One-on-one Communication
Participant G from Gamma, specifically mentioned that in addition to using group processes, the one-on-one communication approach creates a shared or uniform understanding among key stakeholders. One-on-one communication facilitates the process of internal and external value creation through developing a better understanding of key stakeholders’ needs.

5.4.1.6. Language and Culture
Participant Z identified language and culture as a challenge in the process of information exchange with network partners from advanced markets. Investments have been made by the organisation in developing a multicultural team of staff members with bilingual ability and reduction in the layers in the organisation so that the client is in direct contact with service providers⁵.

The issue of information exchange processes among network partners is not on the tools used for communication, which as the preceding section indicates differ among the case study organisations. The focus of the case study organisations as presented in the next table is more on the attributes of the information exchange process.

---

5.4.2. Absorptive Capacity

Absorptive capacity refers to a firm’s capability for institutionalising processes that facilitate inter-firm information exchange. Table 6 presents the attributes of communication and the number of firms focusing on the attribute, along with the positive impact of the attribute on absorptive capacity symbolised as + or the negative impact of the attribute symbolised as -. The information in Table 6 is obtained from responses to Q3 and Q4 from Set-1 questions which sought information on the processes and challenges involved in the exchange of key information with advanced network partners. In the case of Zeta, the company’s website was also explored to collect information on the firm’s approach in dealing with cultural and of language factors.

Table 6: Attributes of Information Exchange and Impact on Absorptive Capacity within the Network

<table>
<thead>
<tr>
<th>Attributes of information Exchange</th>
<th>Number of firms</th>
<th>Impact on network absorptive capacity (+ Positive; - Negative)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regular contact</td>
<td>3</td>
<td>+</td>
</tr>
<tr>
<td>Mutuality</td>
<td>2</td>
<td>+</td>
</tr>
<tr>
<td>Lack of Confidentiality and trust</td>
<td>3</td>
<td>-</td>
</tr>
<tr>
<td>Volume of information</td>
<td>1</td>
<td>-</td>
</tr>
<tr>
<td>Control and local presence</td>
<td>2</td>
<td>-</td>
</tr>
<tr>
<td>Dissemination of information</td>
<td>1</td>
<td>-</td>
</tr>
</tbody>
</table>

Table 6 shows that attributes of lack of confidentiality and building trust, volumes of information, dissemination, control and local presence have a negative impact on the absorptive capacity of the firm. Each attribute is elaborated in the following section.
5.4.2.1. Regular Contact

Three of six participants emphasised the need for regular contact with advanced market partners. As indicated by the participants’ observations, regular contact refers to timely contact being maintained with the advanced market partners.

“All communication is handled totally by the U.S. arm of the company- although feedback is received daily from the U.S. arm on communication with network partners” (Interviewee B).

“Mostly periodic email communications and conference calls” (Interviewee D).

“Our team processes aim to co-ordinate a regular exchange of information on international initiatives with various partners for creating synergies and collaboration avoiding duplications of efforts, leveraging best practices and ensuring adherence to set guidelines” (Interviewee A).

Based on the emphasis placed by participants on the regularity of contact and the benefits they perceive from this in terms of instituting exchange of inter-firm information effectively, the impact on the absorptive capacity of the firm is positive.

5.4.2.2. Mutuality

Mutuality emerged as an important attribute in creating a positive impact on the absorptive capacity of the firms. Two of the six firms refer to mutuality. The theme of mutuality as an attribute is obtained from the participants’ use of words such as active, joint, synergy and uniform understanding, while discussing processes applied by them in information exchange with their advanced market network partners. This is reflected in the following comments of the participants:

“…..though most of our prospective and current partners sought to engage in active information sharing and joint marketing activities as it brought increased confidence” (Interviewee A).

“Co-ordination of information with partner to gain the benefit of synergy, avoid duplication, and leverage best practices according to guidelines” (Interviewee A).

“…. One-on-one communication with key stakeholders to share uniform understanding” (Interviewee G).
5.4.2.3. Lack of Confidentiality and Trust

A commonly made comment by three of six participants concerned confidentiality and trust, when asked about the challenges in exchange of key information with advanced market network partners.

“Feeling of lack of trust in sharing sensitive information which contains intellectual property information. Occasional disconnects due to misplaced understanding of overseas markets” (Interviewee D).

“Difficulties in confidentiality issues” (Interviewee E).

“We work on confidentiality agreement with our partners” (Interviewee G).

“We are just setting up the office so most challenges are related to “starting-up” and not “on-going” issues. For example we were over cautious to work with a strong legal contract with our product designers. We wanted to make sure we are indemnified against any potential copyright violations arising due to a mistake by the product design firm. Hence it became difficult to convince a good designer to work with us.” (Interviewee B).

Although participant B does not specifically mention the lack of trust and confidentiality, the over-cautious approach that is mentioned indicates a feeling of lack of trust in the network relationship between the Indian firm and the advanced market partners. Based on the general description of trust and confidentiality issues as challenges by participants, the attribute was categorised as having a negative impact on absorptive capacity of the Indian firms.

5.4.2.4. Volume

Volume generally refers to the amount of information and the possibility of transferring this information through electronic modes effectively, which could hinder the assimilation and processing of the information. This was seen as having a negative impact on the absorptive capacity of the firms.

“Shortcoming of partners/allies to share full information through electronic modes as they are unaware of modes as well as venture’s competence and reliability.

Inability of partners or self-related to scan, interpret and consume the large amount of information in case-shared/exchanges.
Difficulties in electronic modes, volumes of information, inter-organisational learning and dissemination mechanisms” (Interviewee A).

5.4.2.5. Control and Local Presence

Two of the six firms indicate the need for their firms to maintain communications through their subsidiary organisations, both in the advanced market as well as in India, to facilitate inter-firm exchanges reflecting a local presence. Local in this context therefore refers to communications between the Indian firms and representatives of advanced market firms in India, and also to communications between the Indian subsidiary firms and the advanced market firm in the advanced market.

“There are numerous duties and taxes pertaining to India which the parent company cannot fully understand so they were more keen that our India office deals with their Indian agent for operational paperwork, while any R&D/Testing for the material can be coordinated with their U.S. offices” (Interviewee B).

The words and phrases of the participants “they were more keen that our India office deals with their Indian agent for operational paperwork” (Interviewee B), indicates that the option or choice of communication was specified by the advanced market partner. This reflects an element of control by the advanced network partner in the information exchange process between the Indian firm and its advanced network partner.

“All communication handled totally by the U.S. arm of the company.....” (Interviewee B).

For Zeta, the company maintains a local presence in India, as well as offshore presence in the advanced markets it caters to. The firm also ensures that the advanced market clients are in direct contact with project managers without any in-between management levels. Overall Zeta\(^6\) ensures that multi-lingual and culturally trained teams are available to work with clients in the different advanced markets, to generate understanding of operations in those markets.

5.4.2.6. Dissemination of Information

The need for effective mechanisms that facilitate inter-firm information exchange was a comment made by Participant A from Alpha. The defective mechanisms was perceived as a problem leading to ineffective learning and spread of information inter-organisationally, and is therefore categorised as a negative impact on the absorptive capacity of the firm.

“Problems related to acquiring congenital learning and bad inter-organisational learning/dissemination mechanisms” (Interviewee A).

5.4.3. Decision Tree Model on Absorptive Capacity within the Network and Incentive Mechanisms

Incentive mechanisms as outlined in the conceptual model in Chapter Three refer to mechanisms that encourage a transparent, constant and mutuality-based exchange devoid of opportunism between the network members (Dyer & Singh, 1998).

The information in Figure 5 has been gathered from questions on absorptive capacity and incentive mechanisms in Set-1 of the e-mail interview sequence involving Q4. and Q5. To know how a basic process plays out across a number of cases and to isolate and discuss the unique cases the decision tree model display (Miles & Huberman, 1994) has been utilised in the Figure 5. Using the technique of partitioning the variable (Miles & Huberman, 1994) of absorptive capacity, positive and negative underlying factors have been identified from the data and these are linked to the nature of incentive mechanisms which seem conditional on the absorptive capacity.

Figure 5 illustrates the choice alternatives of positive and negative absorptive capacity and the attributes of communication derived from Table 6 to note relationships between variables and to pursue how the variables are connected (Miles & Huberman, 1994). The attributes derived from Table 6 are linked to the decision outcomes of the six case study firms. The decision outcomes are a reflection of the responses of the six firms to Q5, which sought information on options used by the firms to encourage information exchange with their advanced network partners. These options are linked with the attributes to arrive at three outcomes: using only informal discussions, using only contractual provisions, or using a combination of informal and contractual provisions.
Figure 5: Firms Choices on Incentives Mechanisms Based on Absorptive Capacity

Positive Information exchange attributes

- Mutuality
  - Alpha, Gamma

- Regular contact
  - (Alpha, Delta) 
  - Beta

- Language and culture-Zeta

- Volume - Alpha

- Combined-Contractual, - Informal Discussions, - Training

- Lack of confidentiality and trust.
  - (Alpha, Zeta) 
  - Beta
  - (Delta, Epsilon)

- Dissemination
- Inter-organisational-Alpha

Negative Information exchange attributes

- Only informal discussions
- Only contractual

- Control and local presence
  - Zeta, Beta

Impact on Absorptive Capacity

Positive

Negative
As the model indicates Beta emerges as an exception, using only contractual provisions, whereas Alpha, Gamma and Zeta use both contractual as well as informal discussions, while Delta and Epsilon use only informal discussions in their attempt to encourage the advanced market network partners to share information.

5.5. Strategic Monitoring

Three underlying themes were derived from the revised coding of the participants’ views on the strategic monitoring process. The overall variable of strategic monitoring has been partitioned into differentiating variables (Miles & Huberman, 1994). This provides a more coherent understanding of the diverse underlying variables in the process of strategic monitoring adopted by the firms for their network relations with advanced market firms. The information for this element was obtained from responses of participants to Q6 and Q7 in Set-1 of the sequential e-mail interview process. Q6 sought information on network review processes applied by the Indian firms. Responses to Q7 related to input provided by the advanced market firms in the network review processes by the Indian firms (see Appendix E). Further clarifying information was provided by respondent B on the methods adopted by the advanced market network partner to improve the relationship quality (see Appendix I- Contact Summary form Beta).

Table 7: Strategic Monitoring Process with Network Partners

<table>
<thead>
<tr>
<th>Firms</th>
<th>Strategic Monitoring Process</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beta and Alpha</td>
<td>Restrictive</td>
</tr>
<tr>
<td>Gamma, Epsilon, Zeta</td>
<td>Formal tools and techniques</td>
</tr>
<tr>
<td>Alpha, Beta, Delta, Zeta</td>
<td>Supportive</td>
</tr>
</tbody>
</table>

Table 7 shows that the strategic monitoring process falls into three categories of restrictive, formal tools and supportive. Restrictive refers to using contractual or dictated terms and conditions to carry out review processes by the Indian firms within the network. Formal tools refers to the Indian firms applying review systems that are structured and the use of formal review techniques. Supportive refers to review
processes that are informal, flexible and based on the needs of network firms, and are also devoid of constraints within the strategic exchanges between the partners. The rationale for these themes is elaborated in Chapter Six on discussion of results.

However for any future challenges, all of the firms have indicated that a process of consultation and working out a solution would be their preferred option, as outlined in their responses to Q8 of Set-1 of the sequential e-mail interviews. All of the firms have indicated that they depend on self-governance which refers to the network firms addressing any issue through a process of consultation among themselves, without the involvement of any external agents as mentioned earlier in Chapter Three, Section 3.2. Also none of the firms seek any external body or agency to redress any issue, nor do they seek to resolve such issues through a contractual provision.

5.6. Specific Platforms

The specific platforms refer to the unique areas of adaptation that firms from India need to introduce to deal with bridging the differences with their advanced network partners over cross-cultural and institutional factors, as discussed in the conceptual model in Chapter Three. Cultural factors relate to differences in norms, values and thought styles between the Indian firms and their Western counterparts in the network. The institutional factors are aimed at addressing negative stereotyping of the Indian market by the Western market firms. The constant need of the Indian firms to create legitimacy within their networks with the advanced market firms is also included as an institutional factor. As proposed within the conceptual model, Indian firms aiming to build trust-based relationships with their non-proximate advanced nation firms may make additional investments in the specific platforms.

5.6.1. Cross-Cultural Aspects

The information in Table 8 is derived from the responses of participants from all six case study organisations to Q1, Q3 and Q4 from Set-2 which is the second round of the sequential e-mail interviews with the six firms. Q1 sought responses on the differences in business practices/norms between home (India) and host (advanced) market network partners. Q3 and Q4 were about changes Indian firms would make in business practices while interacting with advanced nation firms, and their perception of the need to make changes in business practices. Table 8 presents information on the six case study
organisations and the areas in which they perceive differences between Indian business practices and the advanced market business practices. Based on this information, the nature of adaptation that the Indian firms make is also included in this table.

Table 8: Differences in Business Practices/Norms between the Advanced Market Network Partners and Indian firms

<table>
<thead>
<tr>
<th>Firm</th>
<th>Areas of Differences in Business Practices/Norms</th>
<th>Nature of Adaptation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alpha</td>
<td>Uncertainty and risk perception</td>
<td>Adaptation in management practices</td>
</tr>
<tr>
<td>Beta</td>
<td>Trust factors, Formal operations, Legal contracts, Quality standards</td>
<td>Adapt to superior practices of advanced market firms</td>
</tr>
<tr>
<td>Gamma</td>
<td>Did not disclose</td>
<td>None</td>
</tr>
<tr>
<td>Delta</td>
<td>Perceptions of India</td>
<td>Adaptation to deal with stereotyping</td>
</tr>
<tr>
<td>Epsilon</td>
<td>No differences</td>
<td>None</td>
</tr>
<tr>
<td>Zeta</td>
<td>Technologically sophisticated and process oriented</td>
<td>Adaptation to superior practices of advanced markets</td>
</tr>
</tbody>
</table>

For Gamma and Epsilon no adaptation in business practices is required by these Indian firms. In the case of Beta and Zeta their perception is that adaptation is required by the Indian firms to the superior processes and technologies of the advanced network partner firms. Perceptions of India guide the need for adaptation for Alpha and Delta. The major factor is that for Alpha, Beta, Delta and Zeta their advanced network partners are not their subsidiaries but are multinational organisations with familiarity with Indian business practices.

The data in Table 9 is derived from the responses of participants to Q2 and Q6 from Set-2; and Q1 from Set-1 of the sequential e-mail interviews. Responses to Q2 concerned the differences in values of the Indian firms compared with the advanced markets (see Appendix E). Q6 sought information on why some respondents felt there was no difference between Indian firms and Western network partners’ business practices. Q1 from Set-1 was on the role of the respondents in the internationalisation of
the firm. Table 9 presents respondents’ perceptions of the differences in Indian values and those in Western markets. The differences in values are categorised by three ranges: challenging, manageable and moderate. The range of challenging includes advanced market partners’ values that the Indian firms consider to be extremely different from their home market. The moderate range includes values that firms perceive to be moderately or somewhat different. The manageable range includes values that the firms consider to be slightly different or no different.

Table 9: Values of Indian firms and their advanced firm network partners

<table>
<thead>
<tr>
<th>Values</th>
<th>Manageable</th>
<th>Challenging</th>
<th>Moderate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Environmental Consciousness</td>
<td>Delta</td>
<td>Beta, Epsilon</td>
<td>Alpha, Gamma, Zeta</td>
</tr>
<tr>
<td>2. Contribution towards society and community</td>
<td>Delta</td>
<td>Beta</td>
<td>Alpha, Gamma, Epsilon, Zeta</td>
</tr>
<tr>
<td>3. Quality standards</td>
<td>Delta</td>
<td>Beta</td>
<td>Alpha, Gamma, Epsilon Zeta</td>
</tr>
<tr>
<td>4. Extending gifts and favours</td>
<td>Gamma, Delta</td>
<td>Alpha, Beta, Epsilon</td>
<td>Zeta</td>
</tr>
<tr>
<td>5. Value of employees</td>
<td>Alpha, Epsilon</td>
<td>None</td>
<td>Beta, Gamma, Delta, Zeta</td>
</tr>
<tr>
<td>6. Timelines/punctuality</td>
<td>Alpha, Epsilon, Zeta</td>
<td>None</td>
<td>Beta, Gamma, Delta.</td>
</tr>
<tr>
<td>7. Egalitarian society values</td>
<td>Alpha, Gamma, Delta</td>
<td>None</td>
<td>Beta, Epsilon, Zeta</td>
</tr>
<tr>
<td>8. Religious values</td>
<td>Alpha, Beta</td>
<td>Epsilon, Delta, Zeta</td>
<td>Gamma</td>
</tr>
<tr>
<td>9. Family and Kinship</td>
<td>Alpha, Delta</td>
<td>Epsilon</td>
<td>Beta, Gamma, Zeta</td>
</tr>
<tr>
<td>10. Innovation</td>
<td>Delta, Zeta</td>
<td>None</td>
<td>Alpha, Gamma, Beta, Epsilon</td>
</tr>
</tbody>
</table>

The values that are challenging for the Indian firms to address are environmental consciousness by two participants, extending favours or gifts, and religious values, as nominated by three of the participants. With reference to an important value such as quality standards, except for Beta - a manufacturing concern - none of the other firms perceive this area as challenging. Also none of the firms perceive innovation as
challenging. The emphasis is more on business related cultural factors like environmental values and quality concerns rather than social factors like religion, family, kinship values.

This section also elaborates the results on the differences in thought styles between the managers of the Indian firms and the advanced market network firms. The information is obtained from responses to Q5 in Set-2, the second phase of e-mail interviews and a range of questions from Set-1 (see Appendix E). Also from further clarifications from interviewee B (see Appendix I- Contact summary form-Beta).

Beta

In the case of Beta a view that surfaced in respect to differing thinking styles was of a seemingly over-cautious approach by their advanced market partners in dealing with institutional arrangements in India.

“For some of our products we initiated discussions on the material with the R&D centres located in the U.S. We wanted to be sure that the materials we use are approved by U.S. FDA and if at all there were any legal problems in the U.S. then the suppliers would help in providing any legal documents to support their case. The R&D centres were very helpful on this; however when it comes to actually procuring material they prefer we go through their Indian subsidiaries as the manufacturing takes place in India. There are numerous duties and taxes pertaining to India which the parent company cannot fully understand so they were more keen that our India office deals with their Indian agent for operational paper work while any R&D/Testing for the material can be coordinated with their U.S. offices” (Interviewee B).

Consequently, the Indian firm is required to set up dual contact points. However there was a sense that interviewee B regarded the U.S. partners as supportive of the Indian firm in dealing with institutional arrangements in the U.S. with which the U.S. network partner is familiar.

“We are just setting up the office so most challenges are related to “starting-up” and not “on-going” issues. For example, we were over cautious to work with a strong legal contract with our product designers. We wanted to make sure we are indemnified against any potential copyright violations arising due to a mistake by the product design firm. Hence it became difficult to convince a good designer to work with us”
Also as seen in Table 8 Beta considers the practices of the advanced network firm as superior to the Indian firms. In Table 9 Beta perceives the values relating to quality standards as challenging and a major source of differences in values with its advanced network partners. The coping mechanisms for information exchange as seen in Figure 5 are based on contractual provisions. Also the strategic monitoring process for Beta falls under the restrictive category as seen in Table 7. Based on the information derived from Q8 from Set-2, Beta has made special investments to adapt with regard to the specific platform of cross-cultural differences with advanced network firms.

Table 10: Cross-Cultural Dimensions in Beta- Exception case

<table>
<thead>
<tr>
<th>Constructs</th>
<th>Differences of Indian Firm with Advanced Market network partners</th>
<th>Adaptation to Cross-cultural factors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Norms</td>
<td>Trust factors</td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td>Formal operations</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Legal contracts</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Quality standards</td>
<td></td>
</tr>
<tr>
<td>Values</td>
<td>Environmental Consciousness</td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td>Contribution towards society and community</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Quality Standards</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Extending gifts and favours</td>
<td></td>
</tr>
<tr>
<td>Thought styles</td>
<td>Interpretation of social, political, economic and social situations</td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td>Expectations and needs from business dealings</td>
<td></td>
</tr>
</tbody>
</table>

Gamma’s network partner is a subsidiary concern of Gamma and has also dealt with the Indian firm in other markets. The advanced market firm is familiar with norms relating to the business practices of the Indian firm. However thought styles differ in interpretation of political, economic, social situations and the advanced market partner’s willingness to share information. Interviewee G indicated that additional investment by the firm is required towards adaptation.

Based on information provided in response to Q1 in Set-2 relating to business practices, Interviewee G indicated that a confidentiality agreement is used with network partners that sets out the conditions of information sharing. Also in response to Q5 from Set-1
which is on information exchange, Gamma’s focus is on contractual provisions to encourage information exchange with advanced market network partners.

Delta’s network partner is a multinational organisation familiar with Indian business patterns. The firm’s international business managers who deal with network partners have also studied and lived or worked in advanced markets. No differences are perceived in business practices or norms. However, differences are perceived in thought styles over three major areas. First is that the network partner managers’ interpretation of political, economic and social situations is different from that of Indian managers’. Second is that the advanced network managers’ expectations and needs relating to business dealings are different from those of the Indian firm. Finally the advanced network managers’ willingness to share information differs from that of Indian managers. Delta thus needed to make additional investments in adaptation.

In the case of Epsilon, the network partner managers’ thinking is different from Indian firm managers’ thinking in terms of expectations and needs, business dealings, and also the personal effort put in by managers. Additional investment has been made by the firm in adaptation to cross-cultural differences with advanced market firms. The network partner is a subsidiary organisation of Epsilon and this is given as a reason for there being no differences in business practices between Indian firms and their advanced market network partners.

Zeta’s network partner is a multinational organisation familiar with Indian business patterns. Yet additional investments have been made in adaptation.

Advanced market network partner managers’ interpretation of political, economic and social situations is different from Zeta’s. Of all the six case study firms, Zeta is the only firm that has identified language and culture as the major challenge in information exchange in response to Q4 in Set-1. Like Beta and Gamma, contractual provisions form a part of the coping mechanisms. However Zeta also depends on informal discussions and training. Moreover, the firm has made investments in developing a bilingual and multi-cultural team, de-layering, and setting up off-shore as well as on-site operations.

Of all six participant cases, only participant A from Alpha mentioned that there were no differences between the thought styles of the Indian firm managers and their advanced

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network managers. In relation to values Alpha is positioned in the manageable and moderate range, except for differences in extending gifts and favours as seen in Table 10. The firm has not made any special investments in adaptation as suggested by participant A in response to Q8 in Set-2 phase of the e-mail interviews. Q8 refers to investments made to adjust to differences with advanced market partners.

The summary of the impact of cross-cultural differences between Indian firms and their advanced market network firms and the level of investment in adaptation as perceived by the six case study organisations is presented in Figure 6.
Figure 6: Cross-Cultural Factors and Investment levels for Adaptation

<table>
<thead>
<tr>
<th>Practices (Noms)</th>
<th>Values</th>
<th>Thought Styles</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beta Practices (Noms)</td>
<td>Advanced Values</td>
<td>Over cautious by both to cope with institutional differences</td>
</tr>
<tr>
<td>Gamma Practices (Noms)</td>
<td>Unknown Values</td>
<td>Information Sharing Issues</td>
</tr>
<tr>
<td>Zeta Practices (Noms)</td>
<td>Advanced Values</td>
<td>Language Culture</td>
</tr>
<tr>
<td>Delta Practices (Noms)</td>
<td>Stereotyping Values</td>
<td>Information Sharing Issues</td>
</tr>
<tr>
<td>Epsilon Practices (Noms)</td>
<td>None Values</td>
<td>Information Sharing Issues</td>
</tr>
<tr>
<td>Alpha Practices (Noms)</td>
<td>Indian Market volatility Values</td>
<td>No difference</td>
</tr>
</tbody>
</table>

Figure 6 indicates the diverse perspectives of the six firms in relation to the level of investment in adaptation to cross-cultural differences.

5.6.2. Specific Platforms: Institutional

The conceptual model in Chapter Three suggested that the institutional factors of stereotyping (firms basing their analysis of a prospective partner from emerging markets upon national institutional patterns and perceiving them as having similar characteristics), and legitimacy (creation of acceptance of operations, products and
processes of the organisation by other organisations that it deals with), generate a specific need for the Indian firms to make investments in adaptation in their network relations with advanced market firms. The following sections present the research results on stereotyping and legitimacy based on information obtained from responses to Q7 and Q8 in Set-2 phase of the e-mail interviews. Q7 sought responses to legitimacy and stereotyping concerns, whereas Q8 sought responses to investments made in adaptation to differences in the specific platforms of cultural and institutional aspects.

5.6.2.1. Legitimacy not associated with Stereotyping

Zeta’s advanced network partners sought assurances about the operations of the Indian firm through credentials or testimonials from previous customers. This was mainly due to the advanced market network partner firm’s lack of prior knowledge of the Indian company’s operations. The Indian firm also made additional investments in adaptation. No mention is made of any negative attitudes towards India by the advanced network partners, and therefore legitimacy in this case is based on lack of knowledge relating to company operations.

Gamma’s advanced network partners sought trial partnering arrangements, restrictive terms and conditions for the network relationship, and credentials or references from previous customers. There was no indication of negative attitudes by the advanced market network partners towards Indian firms. Legitimacy in this instance is based on factors other than stereotyping and involved additional investments by Gamma in adaptation.

5.6.2.2. Legitimacy Associated with Stereotyping

The information in Table 11 is derived from responses to Q7 and Q8 from Set-2 phase of the sequential e-mail interviews dealing with stereotyping and legitimacy, with further clarifying questions addressed to Interviewee A (see Appendix I: Contact summary form-Alpha). Table 11 presents information about the firms, areas of stereotyping by advanced market firms, the impact of legitimacy and investments in adaptation for legitimacy associated with stereotyping.
Participant A from Alpha associated stereotyping with the volatility of the Indian market as suggested by the following comments:

“Uncertainty or volatility of the Indian Market” (Interviewee A).

“Negative attitudes towards institutional arrangements in India” (Interviewee A).

The innovative leadership of the founder and association with a number of international organisations in leadership and participatory roles are factors that countered stereotyping and helped build legitimacy for Alpha.

“Yes my personal track record did help me a lot in connecting with people initially. They were convinced because of my track record and wanted to take a risk in contracting their stuff to this company that was new to them. But then the results led to word of mouth spread and further reference check strengthened our position in this niche market” (Interviewee A).

Participant D from Delta acknowledged the presence of stereotyping Indian firms, but felt that such stereotyping by advanced market network partners was not specifically directed towards their firm.

“Feeling of lack of trust in sharing sensitive information which contains Intellectual Property information. Occasional disconnects due to misplaced understanding of overseas markets” (Interviewee D).
“Yes, however do not feel the need to change the way business meetings are conducted with advanced market network partners as mostly their perceptions about India which are most of the times generalised ones and not applicable to us” (Interviewee D).

The information in Table 12 is derived from responses to Q7 and Q8 from Set-2 dealing with stereotyping and legitimacy.

Table 12: Legitimacy Factors Associated with Stereotyping by Advanced Network Partners

<table>
<thead>
<tr>
<th>Firm</th>
<th>Stereotyping</th>
<th>Legitimacy</th>
<th>Investment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beta</td>
<td>System of numerous taxes and duties in India.</td>
<td>Require assurances on quality standards e.g. international certification, Restrictive terms and conditions for the network relationship, Regulatory contractual arrangements.</td>
<td>Additional investment was required.</td>
</tr>
<tr>
<td>Epsilon</td>
<td>Negative attitudes towards products/ services from India.</td>
<td>Require assurances on quality standards e.g. international certification, greater financial commitment than partner.</td>
<td>Additional investments were made.</td>
</tr>
</tbody>
</table>

In the case of Beta and Epsilon the issue that emerges is of negative stereotyping and legitimacy concerns impacting on the firm requiring additional investment in adaptation.

“There are numerous duties and taxes pertaining to India which the parent company cannot fully understand so they were more keen that our India office deals with their Indian agent for operational paperwork, while any R&D/Testing for the material can be co-ordinated with their U.S. office” (Interviewee B).

5.7. Outcomes of Investment in Adaptation for Internationalisation

The conceptual model in Chapter Three proposed that by coping with the specific platforms of cross-culture and institutional factors the Indian firms would build trust-based network relations with their advanced market network firms. The investments made in adaptation would generate the benefits of linkage, leverage and learning for successful internationalisation of the Indian firms.
The information in Table 13 is obtained from Q9 and Q10 of Set-2 of the sequential e-mail interviews. Q9 related to the benefits of adaptation made by the firm to the specific platforms. Q10 concerned the benefits of successful linkages created with the advanced market network firms by the Indian firms. Table 13 presents information on the five firms-Beta, Gamma, Delta, Epsilon and Zeta. The benefits gained by the firms symbolised by √ regarding the investments made in adaptation to cross-cultural and institutional factors.

Table 13: Benefits of Investments made in Adaptation

<table>
<thead>
<tr>
<th>Benefits</th>
<th>Beta</th>
<th>Gamma</th>
<th>Delta</th>
<th>Epsilon</th>
<th>Zeta</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stronger relationships with advanced market firms</td>
<td>√</td>
<td>√</td>
<td>√</td>
<td>√</td>
<td></td>
</tr>
<tr>
<td>Advanced market firms sharing information more openly</td>
<td>√</td>
<td></td>
<td>√</td>
<td>√</td>
<td></td>
</tr>
<tr>
<td>Access to superior technology and innovation</td>
<td>√</td>
<td></td>
<td>√</td>
<td></td>
<td>√</td>
</tr>
<tr>
<td>Enhanced image and reputation of Indian company</td>
<td>√</td>
<td>√</td>
<td></td>
<td>√</td>
<td>√</td>
</tr>
<tr>
<td>Access to customers in other markets</td>
<td>√</td>
<td>√</td>
<td>√</td>
<td>√</td>
<td>√</td>
</tr>
<tr>
<td>Access to financial, operational and other resources</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>√</td>
</tr>
<tr>
<td>Joint operations and entry to other advanced markets</td>
<td></td>
<td>√</td>
<td>√</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Knowledge gained about other advanced markets</td>
<td>√</td>
<td>√</td>
<td>√</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 13 shows that all five firms have gained the benefits of accessing customers in other markets through investing in adaptation to network partners. Stronger network relations have been built in the case of the four firms Beta, Gamma, Delta and Zeta. Alpha has not been included as the firm had made no additional investments in adaptation. All five of the other firms besides Alpha have made multiple gains through investment in adaptation.

The information in Table 14 is derived from responses to Q8, Q9, Q10 and Q11 from Set-2 of the second phase of the sequential e-mail interviews with respondents. Q8 was about investments made by the firm towards adaptation on specific platforms. Q9 and
Q10 concerns benefits of investments by the Indian firms in their network relations with advanced market firms. Q11 referred to the importance of investments in adaptation as contributing to the firms’ success in internationalisation.

Table 14: Impact of Investment in Adaptation on Internationalisation of Case Study Organisations

<table>
<thead>
<tr>
<th>Firm</th>
<th>Investment</th>
<th>Benefits</th>
<th>Trust</th>
<th>Impact on Internationalisation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alpha</td>
<td>None</td>
<td>Generated</td>
<td>Linkage and leverage</td>
<td></td>
</tr>
<tr>
<td>Beta</td>
<td>High</td>
<td>Multiple</td>
<td>Generated</td>
<td>Linkage, leverage and learning.</td>
</tr>
<tr>
<td>Gamma</td>
<td>High</td>
<td>Moderate</td>
<td>Generated</td>
<td>Linkage, leverage and learning</td>
</tr>
<tr>
<td>Delta</td>
<td>Moderate</td>
<td>Multiple</td>
<td>Generated</td>
<td>Linkage, leverage and learning</td>
</tr>
<tr>
<td>Epsilon</td>
<td>Low</td>
<td>Multiple</td>
<td>Generated</td>
<td>Linkage, leverage and learning.</td>
</tr>
<tr>
<td>Zeta</td>
<td>High</td>
<td>Multiple</td>
<td>Generated</td>
<td>Linkage, leverage and learning.</td>
</tr>
</tbody>
</table>

The information in Table 13 indicates that except for Alpha, all five of the other firms have made additional investments in adapting to advanced network partners in their internationalisation into advanced markets. All firms have generated trust with their advanced network partners. Above all, the firms have gained the benefits of linkage, leverage, and learning in their internationalisation except for Alpha which did not indicate any learning benefits however, this is not to suggest that the firm has not learned from its network partnerships.

Participant B suggested that the greatest gain in building successful networks was from the learning that resulted from the adaptation process.

“It is a tremendous learning experience with a steep learning curve” (Interviewee B).
Gamma did not seem to have gained overly from the investments made.

“Benefits of investment made are moderate” (Interviewee G).

Delta associated enormous gains through adaptation.

“Investments made in network adaptation were extremely important to the success of internationalisation of the firm” (Interviewee D).

Epsilon associated investments made in adaptation of high importance with success in internationalisation.

“Investments made by the company towards building relations with network partners was very important towards the successful internationalisation of the company” (Interviewee E).

Zeta identified knowledge gains.

“Knowledge gained about other advanced international markets” (Interviewee Z).

The next chapter discusses these results in the context of the literature review in Chapter Two and the proposed model in Chapter Three.
Chapter 6. Discussion of Results

6.1. Introduction

This study has investigated the role (need and relevance) of adaptive mechanisms in network relations of Indian firms with their advanced network partners in their internationalisation activities. The constructs outlined in the conceptual framework in Chapter Three were examined using a multiple case study approach. This chapter is organised around the constructs of common and specific platforms of adaptation. The chapter includes a discussion of the profile of the organisations and roles of the participants in the internationalisation activities of their firm, in the context of the constructs of the study. This is followed by a discussion of the findings in relation to the common and specific platforms, and the impact of these adaptive platforms on the level of investment. Finally, the benefits of adaptation in relation to the internationalisation of the Indian firms in terms of linkage, leverage and learning are discussed. The chapter then reviews and presents a revised conceptual framework based on the findings of the study.

6.2. Profiles of the Case Study Organisations

All six organisations in the study were small organisations as defined by the founders and were entrepreneurial in nature. The entrepreneurial characteristic of the firms may have a significant role in the network dynamics with advanced market firms. Four organisations were global providers of information technology services, a sector for which India has achieved global recognition (Ramamurti, 2009) and one firm, Alpha, is in an emerging sector of mobile health technology services. With the exception of Beta, which is in the manufacturing sector, all of the other companies are in service delivery. The service delivery field involves new emerging technologies in the area of information technology applied to different industrial sectors from health, pharmaceuticals, transport, financial services, manufacturing, engineering and communications. The characteristic of innovation-based technological services may be a major reason for all of the founders’ perception of no differences in innovation values between Indian firms and their advanced market network partners.
All six firms operate with network partners from diverse advanced markets including countries from Europe, Asia-Pacific region and also the U.S.A. That the advanced market network partners of the six Indian firms are from different advanced market countries enhances the scope of this study in exploring the non-proximity factor (geographical, cultural and institutional) and Proposition 2, as outlined in Chapter Three, section 3.6.2.

The greater the geographical, cultural and institutional distance among network partners, the greater the need for a specific platform of adaptive mechanisms, in addition to common platforms and consequently, the greater the difficulty in achieving linkage, leverage and learning in the internationalisation of Indian firms. (Proposition 2).

The objective of the study was to explore challenges in adaptation to network partners from advanced market nations by internationalising Indian firms. The firms in this study were all young and small, and with the exception of Beta all of the other firms were in the service sector. The differences in structure, size and sector of each firm were not considered within the purview of this study; however the impact of structure, size and sector on the networking abilities of the firm may make a useful future study area.

6.3. Role of Participants in the Case Study Organisations

A single respondent was the key informant for each of the six participant firms. Although the sample of participants was small, it meets the main criteria to include decision-makers from internationalising Indian firms involved in managing networks with advanced market firms. According to Bangara et al. (2012) and Freeman and Cavusgil (2007), the vision among Indian firms to undertake internationalisation activities is shaped by the founders. For the six sample firms it was the founders who were involved in the internationalisation and networking activities. A significant finding in this study is the influential role of the founder in the case of Alpha as an innovator cum transformer and knowledge sharer in a new and developing sector of health-technology globally. This finding signals an important dimension in the role and the achievements of the founder in countering the institutional factors of stereotyping and
creating legitimacy with advanced market network partners. This dimension was not considered in the conceptual framework in Chapter Three in this study. However, caution must be observed in attributing the particular characteristics of this one firm more widely since these characteristics may be idiosyncratic to the firm rather than the sector.

The innovation-based services and entrepreneurial characteristic associated with the five firms as outlined above in section 6.2, combined with the role of an influential founder are seemingly in contradiction to Mathews (2006) and Bangara et al. (2012) as referred to in Chapter Three section 3.6. These authors stated that Indian firms need to seek networks to assist them in overcoming limitations in pursuit of new markets and to leverage network resources to gain competitive advantage. The findings of this study indicate that the Indian firms consider their innovation values as no different from their advanced market partners. This reflects that the five firms in this study do not perceive a limitation in their innovative capabilities, and hence leveraging of innovative capabilities of their advanced market partners may not be their prime motive for networking.

6.4. Common Platforms

The common platforms identified in the conceptual model in Chapter Three refer to the processes adopted by a firm to generate exchange of inter-firm knowledge to build trust based network relations. The conceptual model identifies the common platforms as information routines which refer to the absorptive capacity and incentive mechanisms; and strategic monitoring, which refer to self and informal strategic monitoring approaches. The following sections discuss the major findings in relation to the common platforms.

6.4.1. Information Routines

6.4.1.1 Absorptive Capacity

The network view places high reliance on the benefits emerging from the high levels of trust and self-governing processes that are built among the interfaces between network
members (Dyer & Singh, 1998; Podolny & Page, 1998). This thinking aligns with the theory of social benefits (Huggins & Johnston, 2010) which proposes that knowledge gain, both explicit and implicit, happens because of the trust built between members as outlined in Section 2.4.1, Chapter Two. The findings of this study also support the need for trust to be built through inter-firm information exchanges.

The proposed model in Chapter Three classifies information exchange as a common platform. The element of non-proximity, which refers to distance in cultural and institutional factors in this study, creates a challenge in the information exchange process. The issue is not in the processes of information exchange used: companies may use different processes; rather, the findings in Chapter Five Section 5.4.2 show that the participants emphasise the attributes of the information exchange process. The absorptive capacity which refers to a firm’s capability to institutionalise processes of information exchange is dependent on the attributes of information exchange rather than the processes, as identified within this study. It is the negative attributes of lack of confidentiality and trust, volume, language and culture, dissemination of inter-organisational information, control and local presence which are challenges that emerge in networks with advanced market firms in India’s internationalisation.

“We are just setting up the office so most challenges are related to “starting-up” and not “on-going” issues. For example we were over cautious to work with a strong legal contract with our product designers. We wanted to make sure we are indemnified against any potential copyright violations arising due to a mistake by the product design firm. Hence it became difficult to convince a good designer to work with us” (Interviewee B).

The above comment reflects the likely changes that a new Indian firm may have to make due to the perception of having to protect themselves from possible difficulties that may arise in relation to copy-right violations made by suppliers of services. The participants’ perception in this situation is that everything has to be worked out legally and there is no room for the element of trust-based actions within the network with advanced market partners in situations involving the possibility of errors or mistakes.

On the other hand the findings of this study support those of previous studies regarding the need for constant and mutuality based exchange devoid of opportunism between the network members, as posited by Dyer and Singh (1998). This study reveals the need for
inter-firm exchanges to be regular and of a shared nature, wherein the joint interests of the network partners are considered in the exchanges.

6.4.1.2 Incentive Mechanisms

The results of this study corroborate those of two major studies of co-operative strategies: Dyer and Singh’s (1998) relational view of sources of inter-organisational competitive advantage, and Johanson and Mattson’s (1987) model of relationships and their interaction model on the need for collaborative processes. These studies include the concept of adaptation in inter-firm exchanges, as outlined in Section 2.8 of the literature review in Chapter Two. However, the findings from this study indicate new dimensions in the collaborative processes, which are outlined in the next section.

The two factors of information exchange which were included in the proposed model in Chapter Three are absorptive capacity and incentive mechanisms. The findings of the current study are broadly consistent with those of Dyer and Singh’s (1998) model of relational rents, which classified information routines as absorptive capacity and incentive mechanisms. However, in their model these were depicted as separate independent factors with no inter-linkage between the two elements, whereas the results from the case-study firms show interdependence between these elements in facilitating information exchange. The exchange processes in this study have emphasised uniform, regular sharing of information and delivering mutual benefits, which are re-emphasised by the participants in this study as incentive mechanisms. The interdependence highlights both in absorptive capacity and incentive mechanisms, constant and mutuality factors as the essence of information exchange.

The firms in this study are unable to build systems of total understanding in terms of open sharing of information over sensitive issues. For this reason the firms are using contractual mechanisms to ensure that network relations are effective. Another important finding is that, with regard to non-sensitive issues, informal discussions are an important input area for information routines as well as training, which emerged as a new element of information routines as indicated by Zeta in Chapter Five Section 5.4.2.5.

The information exchange processes outlined by the firms in the study indicate that the Indian firms are focused more on informal, regular contact. However, to meet the requirements of advanced network partners, relations are also contractual. This supports
Svejenova and Alvarez (2007) who proposed that network connectivity is heavily dependent on the firm’s ability to introduce collaborative mechanisms. The authors also stated that the collaborative mechanisms may be contractual or relational, in order for the firms to create value from the partners they have identified, and with whom they aim to engage, learn and re-learn (see Section 2.2, Chapter Two).

The results of this study also revealed that information exchange processes indicate trust building to be a challenge with advanced network partners. This is consistent with the differences in trust building approaches as suggested by Huggins (2009). The study findings are also consistent with the view that for Indian firms their greatest strength in their networks is their relational capabilities (Sikorski & Menkhoff, 2000; Khatri, Tsang & Begley, 2006). As discussed in Chapter Two, trustworthiness in Eastern firms’ networks is established more through individual and social determinants, while for their Western counterparts it is based more on organisational and professional links within the networks (Jansson, 2007b).

In the current study, Beta presents the challenging dimensions of the differences in the approaches between the Indian firm and its advanced market network partner. This Indian firm finds it difficult to cope with contractual arrangements for every minor or major activity as demanded by the advanced market network partner. This may be due to Beta being dependent on the larger advanced network partner. Because of its small size Beta is unable to negotiate a global contract with better terms with its bigger advanced network partner, and hence complies with all of the partner’s demands. Also as expressed by Interviewee B: “We wanted to be sure that the materials we use are approved by U.S. FDA and if at all there were any legal problems in the U.S. then the suppliers would help in providing any legal documents to support their case.” Beta is strongly motivated to meet the stringent legal requirements in the U.S. market. Furthermore, as Interviewee B says: “We were over-cautious to work with a strong legal contract with our product designers. We wanted to make sure we are indemnified against any potential copyright violations arising due to a mistake by the product design firm. Hence it became difficult to convince a good designer to work with us.” Thus institutional factors impact on Beta’s over-cautious approach in its selection of network partners with whom to work.
The key finding from this study is that the case firms do not seem to be facing major challenges in information exchange that are due to cultural factors. Of the six firms, only one firm, Zeta, raised the issue of culture and language difficulties in information exchange with advanced network partners. Also Alpha states that in internationalisation a firm has to understand the differences in culture with proximate and non-proximate partners. Culture does not seem to be a major factor impacting on challenges in information exchange. This is in contrast to earlier studies of Tse, Pan, and Au (1997) and Batonda and Perry (2003), who emphasised culture as playing a major role in network relations. This rather contradictory result may be due to the role of the founders in the internationalisation activities. The founders’ background of having studied, worked and lived in advanced markets may be the reason for their subsequent ease in dealing with advanced market firms. This facilitates their understanding of the differences and ability to interact effectively with advanced network partners. Each of the six CEOs has the above characteristics. These results however should be interpreted with caution, as the case study firms are all entrepreneurial and their characteristics may differ from other types of firms.

The results of this study also indicate that the specific platforms of stereotyping and legitimacy have an impact on the common platforms of information exchange routines and strategic monitoring. This finding is consistent with the earlier studies of Bangara, Freeman and Schroder (2012) which broadly show that Indian firms have a constant need for countering negative stereotyping and the creation of legitimacy due to their late entry into new markets and a lack of familiarity with operating in international contexts. Another possible explanation for this could be that the Indian economy is still in transition and the institutional factors are perceived to be difficult to deal with by the advanced nation firms.

Although this study does not aim to explore the impact of differences in national technological infrastructure on network relations, the findings of this study reveal that this impacts on the information exchange between network partners. Alpha presents the challenges of information exchange as an inability of “partners/allies to share full information through electronic modes as they are unaware of modes as well as the venture’s competence and reliability”, (Interviewee A). Interviewee A further adds that the “inability of partners or self, related to scan, interpret and consume the large amount of information in case shared or exchanged”. This raises questions about the volumes of information shared between network partners of differing national
technological capabilities that may affect the entire venture. The firm operates in the niche health-technology industry involving knowledge sharing between its network partners in diverse markets in Europe and America and also in less developed nations. Technology plays a critical role in network relations involving high knowledge transfer\(^8\) in the mobile health delivery across international boundaries. This supports the view proposed by Barratt (2004) that over-dependence on technology for inter-firm exchanges poses challenges for collaborative relations, as outlined in Chapter Two Section 2.9.

As Delta, Epsilon and Gamma indicated, trust building between advanced network partners and the Indian firm is also hampered because of intellectual property issues. Advanced market firms may lack confidence in their Indian counterparts, perceiving the legal institutional arrangements relating to IP protection in India to be complex, uncertain, risky and difficult to deal with, as indicated by the following participants:

“U.S.A, Australia more certainty, but India is more volatile, so perception of risk and uncertainty are different” (Interviewee A).

“there are numerous duties and taxes pertaining to India which the parent company cannot fully understand so they were more keen that our India office deals with their Indian agent for operational paper work” (Interviewee B).

The findings suggest that compared with cultural factors, such institutional factors have a stronger impact on information exchange between advanced market firms and the Indian firms. The lesser impact of cultural factors could also be due to advanced market firms’ exposure to cultural aspects of the Indian market and greater experience in operating in emerging market nations like India. This is indicated in the study by Beta’s advanced network firms having subsidiary firms in India. Also by Alpha whose network partners are multinational organisations which have interactions with the firm in other lesser developed markets.

The findings of the current study with reference to the exception case, Beta, are consistent with those of Jansson’ (2009a) and Huggins (2009). The findings in relation to Beta support the suggestion of these authors that advanced market firms are network

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\(^8\) Newsle. (2014). *X Association’s 10th Knowledge Summit to unveil report on “Innovations in healthcare”*. Retrieved from Newsle Website.
capital seekers and their exchanges are governed by rational business goals. As reviewed in Chapter Two, Jansson (2007b) emphasised the differences in approaches to networking and internationalisation in the East and West with regard to their reliance on different trust elements such as contracts. The study’s findings are consistent with the comparison that previous studies (Jansson, 2009a; Huggins, 2009) make with social capital seekers (East) and network capital seekers (West). The social and network capital seekers adopt different approaches towards building trust in network relations (refer to Appendix A). Also, Western countries are contractual and seek capital gains from network ties (Carney, 2005; Dielman & Sachs, 2006; Huggins & Johnston, 2010), based on logic of business and professional expectations (Huggins, 2009). Contrary to this, according to Khatri, Tsang and Begley (2006), Asian businesses seek relational rents from their network ties based on logic of sociability and social expectations (Huggins, 2009). The findings from Beta support the differences between the approaches of Asian firms and advanced market firms. Beta has adapted by building highly contractual relations with its advanced market partners. However the firm indicated that contractual relations are very tedious, indicating a preference for relational approaches. The other firms in the study are not highly contractual in their network relations with advanced market firms.

While Beta’s advanced market network partners are unduly reliant on contractual ties for every issue within the network, Beta finds this tedious to deal with. However, Beta has maintained contractual ties with their advanced network partners to protect itself from any legal issues it may face in the U.S.A. The other firms in the study do not seem to be highly contractual in their network relations with advanced market firms. This difference could be associated with the fact that Beta is in the manufacturing sector whereas the other firms are in the fields of information and technology services. Besides being possibly an industry-related factor, lack of trust could also be a function of the perception of risk by Beta’s management and the firm’s cautious, conservative approach in dealing with advanced market firms. For the firms in the information and technology sector, the Western firms may tend to approach their network relations with Indian firms more on a mutuality basis rather than as a dominant player due to prior experience or having jointly participated in service creation and delivery. This is supported by Ramamurti (2009) who indicated that Indian firms have gained competitive advantage in the sector of information technology and have internationalised extensively during the last two decades, as outlined in Chapter Four, Section 4.5. Moreover Indian firms in
this sector tend to be more aggressive in their dealings with Western partners (Mathews, 2006).

According to Johanson and Mattson’s (1987) model of relationships and interaction model network relations are governed both by interactions and adaptations made by network partners. The theory as advocated by these authors is consistent with the research findings in this study, which show the information exchange processes and the strategic review process as being closely connected rather than as separate dimensions as presented in the conceptual model in Chapter Three.

6.4.2. Strategic Monitoring
The initial reading and coding of the data resulted in a generic code of strategic monitoring. However, on examining the data and the initial coding the interview responses reveal underlying characteristics of the firms, impacting on the strategic monitoring process of the case study organisations. These underlying characteristics conditioned the approach followed by these firms in the strategic monitoring process. Examining the data to uncover the underlying characteristics was essential, as viewing only the generic coding was resulting in the loss of valuable raw data (Miles & Huberman, 1994). The raw data refers to aspects revealed by participant B on newness of networking operations, and the uncertainty in terms of markets as indicated by Participant A. The underlying characteristics that impact on the strategic monitoring process are uncertainty in terms of the markets the firm operates in, newness of networking operations, and in a broad view the nature of the firm’s operations. In the case of Beta further clarification was sought on the input of their advanced market partners in the firm’s strategic review process (refer to Appendix I-Contact summary form-Beta). The clarifying information provided by participant B indicated the underlying characteristics as mentioned earlier, these were integrated and the generic code of strategic monitoring was categorised as elaborated below.

The strategic monitoring process has been separated into three categories of restrictive, formal tools and supportive (see Table 7). As a manufacturing firm, Beta’s process is classified as restrictive since the firm’s strategic review includes contractual constraints, and because the firm complies with demands made by advanced market firms in their interactions. Similarly Alpha also is restrictive because of a dependence on agreements, whereas Gamma, Epsilon, and Zeta, which operate in the field of information
technology, are classified under formal tools and techniques as they apply methods such as content analysis of social media, SWOT, ROI. However, Delta, Alpha and Beta have supportive strategic review arrangements with their network partners, although these are not over all areas of network operations. The supportive arrangements apply only to selected aspects of the network operations, notably not in the area of intellectual property rights or regarding any information of a sensitive nature.

To build network relations, theory suggests that there should be mutuality between network partners. Dyer and Singh (1998) state that strategic monitoring includes the firms’ ability to introduce governance between themselves without involving external agents, and secondly that these become more informal rather than contractual, which could prove to be restrictive as noted earlier in Chapter Three, Section 3.2. The dimensions of information exchange routines and strategic monitoring are based on relationship aspects which refer to sociability between network partners rather than contractual arrangements. This study reveals that of the six case organisations four firms: Alpha, Beta, Delta and Zeta have informal relational exchanges which refer to interactions based on mutual trust rather than enforced measures such as fulfilment of certain financial conditions as noted in Chapter Two, Section 2.9. The strategic monitoring process for these firms is categorised as supportive, based on the informal interactions and the facilitative relationship approach between the firms and their advanced network partners. This is reflected in the following comments of the Participants:

“Suggestions for improvement/service enhancement. their local knowledge...developing local marketing/sales strategy... guidance on pricing and profitability” (Interviewee Z on the inputs by advanced market partners in strategic monitoring).

“International expansion takes a company like ours into a more complex, volatile and uncertain competitive environment. We need to hence ensure that we inform, engage and share information on existing partnerships with international strategic partners and the same is properly disseminated to the inter-organisational leaders and units.” (Interviewee A).

“Share with network partners and learn about our best sources of information and advice...... Consult network partners and work out a solution.... Speak with our allies in similar markets to compare ourselves with competitors....” (Interviewee A).
“Informal discussions as of now......... Commercial, market intelligence about the overseas markets” (Interviewee D on the strategic inputs shared by advanced market network partners).

“Breakdown of network resources depending upon the network partner country..... also depending upon the phase of network entry and the need for personal and business relationships” (Interviewee A).

These findings are consistent with Dyer and Singh’s (1998) prescription of informal mechanisms for effective governance of network relations as outlined in Chapter Three, Section 3.2. This is also consistent with all the firms in the study confirming their preference for a process of consultation in network governance. However the firms specify that these informal exchanges with their advanced market partners do not include all operational dimensions, but only in some areas of operation such as marketing strategy.

“....their local knowledge...developing local marketing/sales strategy... guidance on pricing and profitability” (Interviewee Z on the inputs by advanced market partners in strategic monitoring).

“Informal discussions as of now......... Commercial, market intelligence about the overseas markets” (Interviewee D on the strategic inputs shared by advanced market network partners).

It is worth exploring in future studies whether the nature of industries in which firms operate affects the development of informal relational exchanges. Also worth examining is whether the size of the firm affects its capability for developing informal ties with network organisations through a larger contract. Owing to the larger contract, would the relationship assume greater importance to the advanced network partner? “We are a small company so we cannot have a single point of contact with these large raw material suppliers. However when these suppliers are dealing with large manufacturers they have a single global contract with them which helps in getting better cost and credit terms. As of now it does not affect my cost a lot but it does become a little cumbersome to deal with two different teams from the suppliers.” as outlined by Interviewee B. This statement indicates that the size of the firm influences the nature of contracts that firms are able to enter into with network firms from advanced markets.
The type of contract, in turn influences the ease of negotiation with network partners from advanced markets.

For Alpha and Beta the restrictive strategic review process is also influenced by the lack of institutional understanding of the systems prevalent in India by the network partner. This results in such firms managing operations with network firms through contractual agreements, and complying with terms and conditions dictated by network partners, which Beta finds tedious. These findings are consistent with Dyer and Singh’s (1998) contention regarding the constraints imposed by contractual relations in a network which result in less effective network relations.

“All the monitoring happens through our San Francisco office. We avoid trying to directly contact any of the partners from India” (Interviewee B).

“We do import raw material from the U.S. which is then re-exported back to the U.S. Our raw material suppliers have asked us to appoint a separate team or person to handle the technical information required for manufacturing which could be based in India and a separate person to handle the commercial queries (based in U.S.)” (Interviewee B).

“…..concessions and compromise, agreements” (Interviewee A).

Gamma, Epsilon, and Zeta are classified according to a third category relating to formal tools and techniques which they use in the strategic review process. Their use of formal tools and techniques may be because the three firms operate in the field of information and technology. However this does not suggest that their use of formal tools constrains or enhances these firms’ network relations.

6.5. Specific platforms

6.5.1. Cultural Factors, Trust Building and Investment in Adaptation
A key finding in this study is that different firms have different perceptions of the cultural differences between themselves and their advanced market network partners. Alpha appears to be a firm which is successfully managing advanced market network
partners in the cultural context. Alpha’s approach reflects Perry and Batonda’s (2003) emphasis on the importance of understanding cultural differences. However Alpha differs with regard to these authors in relation to the introduction of cultural management to enhance and develop superior inter-firm network relations. The findings presented in Figure 6 in Chapter Five indicate that Alpha has made no investment in adaptation to the network partner. Alpha’s approach also differs from Jansson’s (2007b) recommendation of investment in a matching strategy or the introduction of bridging processes to deal with differences in norms, values and thought styles as outlined in Chapter Three Section 3.4.

The possible explanation for this is given by Interviewee A in stating that the “Network partner is a multinational organisation with familiarity with the Indian business patterns, network partner has dealt with our firm in other markets. Our international business managers dealing with network partners have studied and/or lived and/or worked in advanced markets”. The network partners’ confidence in the firm based on achievements of the founder as presented in Section 5.2.1 in Chapter Five may be a further factor. The familiarity by both the Indian firm managers and the advanced market network partners with the differences in cultural patterns possibly facilitates mutual cultural adjustment. Hence as mentioned by Participant A, the firm does not require any additional investment in adaptation although differences exist. Thus Proposition 2a (Chapter Three, Section 3.6.) may not hold regarding the need for a specific platform of adaptive mechanisms to create compatibility between norms, values and thought styles among network partners from advanced markets. Future studies need to focus on the role of inherent organisational capabilities and those of individual employees when dealing with national cultural differences, in facilitating network collaboration, as the findings in this study indicate. The inherent capabilities in this instance refer to the in-built capacity of the firm for addressing cultural differences owing to the founder’s knowledge of advanced markets.

The challenges identified by Participant A did not relate to difficulties over information sharing as the willingness to share existed in the partnership: “...though most of our prospective and current partners sought to engage in active information sharing and joint marketing activities as it brought increased confidence and further overseas market credibility to them”. The challenges related to processing and dissemination of information due to technical incompatibility and poor inter-organisational learning and
dissemination mechanisms rather than any differences in thought styles (see Table 6 Chapter Five).

Conversely, for Beta and Zeta, the findings provide evidence to support Proposition 2a, (Chapter Three, Section 3.6) which expresses the need for a specific platform of adaptive mechanisms to create compatibility between norms, values and thought styles among network partners from advanced markets. Adaptation was required by the Indian firms to the superior business practices and values relating to quality standards of their advanced market network partners, as indicated by Participant B. A recurrent theme in the responses to the questions by Interviewee B (Table 10) concerned the differences in cultural aspects of norms, values and thought styles, of the Indian firm compared with the advanced network firms, thus emphasising the need for adaptive mechanisms.

“Having a legal contract for every small activity has been the single most problematic factor” (Interviewee B).

Different expectations and practices among advanced market firms, for example as presented below by Interviewee B, continually emphasise Beta’s focus on adaptation. Beta perceives that advanced market firms’ business practices are superior to those of the Indian firm and hence provide an excellent opportunity for Indian firms to learn from and adapt to these superior practices.

“In manufacturing these partners have much better processes and quality standards. Adapting to these standards helps us improve our current processes. For example, in India in our plastic products manufacturing process there are no disposal systems for plastic waste. However our partners there have very advanced recycling plants or tie ups with such plants. This is a very good practice and so we need to adapt to that even in India.” (Interviewee B).

Of all six firms only Zeta raises the issue of language differences in their relationships with advanced market firms (as discussed in Section 5.6.2, Chapter Two), and therefore has adapted its business operations to deal with language issues.

Interviewee G sees a need for adaptation regarding cultural factors only in some areas (see Section 5.6.2, Chapter Five) such as in collaborative processes. Information sharing seems to be a greater area of concern to this firm than cultural factors. As with Gamma, Delta also perceives challenges from “feeling of lack of trust in sharing sensitive
information which contains intellectual property information. Occasional disconnects due to misplaced understanding of overseas markets” (Interviewee D), (see Section 5.4.2.3, Chapter Five).

However, unlike Gamma, Delta deals with these challenges in information sharing through informal relations rather than contractual provisions, (see Figure 5). Interviewee D also suggests that the reason for differences in interpretation of political, economic, social situations, as well as expectations held by managers in the advanced market networks partner, may be linked to advanced market firms’ perception of India.

“Mostly their perceptions about India which are most of the times a generalised one and not applicable to us” (Interviewee D).

Epsilon sees that differences in cross-cultural factors require the firm to make investments in adaptation. However, in this case there are similarities in business practices between the firm – and their advanced market partner, which is Epsilon’s subsidiary firm. As presented in Section 5.4.2.3, Chapter Five, Interviewee E raises confidentiality issues as a challenge in information exchange which recurs in the participants’ responses to questions on differences in thought styles among advanced market network partners. Interviewee E suggests that there is unwillingness by network partners to share information.

“Difficulties in confidentiality issues” (Interviewee E).

Epsilon is similar to Delta in not depending on contractual approaches to handling challenges in network relations and instead using informal discussions. This is consistent with the traditional approach of seeking relational rents (Sikorski & Menkhoff, 2000; Khatri, Tsang & Begley, 2006) in their network interactions with advanced nation firms. This approach by Epsilon and Delta may be facilitated by the type of network partner they are dealing with. In the case of Epsilon the partner is their subsidiary concern, and in the case of Delta the partner is a multinational organisation that is familiar with operations in the Indian market.

For Beta, Gamma, Delta and Epsilon the findings reveal that the differences in cultural aspects are related to information sharing. Cultural differences can also be attributed to underlying institutional differences.
The major aim of the research, (Chapter Four, Section 4.2), was to identify the level of investment needed in adaptive mechanisms by the internationalising Indian firms to guide their network relations with advanced market firms. The conceptual model in Chapter Three and Proposition 2d identified the level of investment required for adaptation as high.

Proposition 2d: *The greater the adaptation to cross-cultural and institutional factors, the easier to address the different approaches used by the Indian firm and its advanced market network partners in building trust. The greater will be the level of investment in adaptive mechanisms.*

Contrary to expectations, this study reveals differing levels of investment, high investment as well as no investment in adaptation to cultural differences, as shown in Figure 5, Chapter Five. The wide range in investment levels for adaptation may lie in the explanations given above by Alpha and Beta.

Taken together, these results show that the constructs of information exchange, values and norms (practices) are linked. For Beta, this linkage is apparent in the formalisation of network relations. Overall, the results indicate that cultural differences also impact on coping mechanisms for information routines within network relations between Indian firms and advanced market firms. The coping mechanisms for information routines include both contractual and informal exchanges. The three main recurrent themes that all participants refer to are stereotyping, information sharing issues and institutional differences that underlie the participants’ perceptions of cultural differences.

6.5.2. Institutional Factors

6.5.2.1 Legitimacy not Associated with Stereotyping

In the case of Gamma and Zeta, no mention is made of negative attitudes either towards Indian products or services, or to the fact that the firm is Indian. This indicates the impact of factors other than stereotyping in networking relationships with their advanced market partners. This study indicates other intervening variables (Miles & Huberman, 1994) such as lack of knowledge of the firms’ operations which involved in a need for the Indian firm to create legitimacy. Factors other than stereotyping that impact on creating legitimacy of Indian firms in their internationalisation into advanced markets warrant exploration in further studies.
For Gamma and Zeta, additional investments are required for bridging processes in creating legitimacy over information sharing and building knowledge of the operations of the firm rather than dealing with stereotyping issues. Also, regarding cultural issues, both the firms are classified under the manageable category. This finding matches Proposition 2c, (Chapter Three, Section 3.6.) which states that a firm needs to initiate adaptation to counter legitimacy issues due to the newness of the firm to institutional arrangements in Western markets.

6.5.2.2 Firm Credibility overriding Stereotyping and Legitimacy

Alpha and Delta indicate the existence of negative attitudes and institutional voids (Hoskisson, Eden, Lau & Wright, 2000; Carney, 2005; Wright, Filatotchev, Hoskisson & Peng, 2005; Jansson, 2007a) in the context of the Indian market. However, contrary to expectations these firms indicate that they do not require bridging processes. The findings in relation to Alpha are especially inconsistent with Propositions 2b, 2c and 2d (Chapter Three), suggesting that the firm does not need any additional investment in adaptive mechanisms to deal with negative stereotyping and legitimacy.

Proposition 2b: The greater the non-proximity (institutional) among network partners, the greater the need for a specific platform of adaptive mechanisms in addition to common platforms to counter negative stereotyping among network partners from advanced markets.

Proposition 2c: The greater the non-proximity (institutional) among network partners, the greater the need for a specific platform of adaptive mechanisms in addition to common platforms to create legitimacy among network partners from advanced markets.

Proposition 2d: The greater the adaptation to cross-cultural and institutional factors, the easier to address the different approaches used by the Indian firm and its advanced market network partners in building trust. The greater will be the level of investment in adaptive mechanisms, resulting in Indian firms building successful network linkages with advanced market firms, giving the Indian firms greater ability to leverage and therefore the greater is the learning leading to greater success in internationalisation.

The lack of support for these propositions may be due to the positive perception, in the case of Alpha, of the firm among its advanced network partners for reasons of
innovative leadership of the organisation\(^9\). This perception is further enhanced with its founder having received international acclaim through a number of award winning achievements and the founder’s leadership role in a number of international organisations\(^10\). As mentioned earlier in Chapter Five (Section 5.6.2.2), the founder associated his/her ease in establishing initial contacts with the advanced market firms’ willingness to take a risk based on the founders’ international acclaim.

“Yes my personal track record did help me a lot in connecting with people initially. They were convinced because of my track record and wanted to take a risk in contracting their stuff to this company that was new to them. But then the results led to word of mouth spread and further reference checks strengthened our position in this niche market” (Interviewee A).

The findings of this study suggest that the credibility of the firm is enhanced by the international reputation it achieves. For Alpha, the firm’s credibility overrides the institutional factor of negative stereotyping, consistent with Knoben and Oerleman’s (2006) statement that institutional factors do not effect collaborative relations with network partners. Negative stereotyping as defined in the literature review in Chapter Two refers to a pre-existing negative perception of emerging market firms held by advanced market stakeholders, owing to institutional voids (Fischer & Reuber, 2007; Wood et al., 2011).

Delta firm also shares the positive credibility factor with Alpha, as indicated by gaining accreditation from two global firms as their second-level service provider and also receiving support for its start-up from another global firm\(^11\). However, unlike Alpha, Delta also invests in adaptation. This may be for reasons other than stereotyping based legitimacy factors but instead, as suggested by Participant D, due to a “feeling of lack of trust in sharing sensitive information which contains Intellectual Property information. Occasional disconnects due to misplaced understanding of overseas markets.” This confirms the association between legitimacy and investment in adaptation as argued by Zimmerman and Zeitz (2002), and in the case of Delta, this is possibly due to the newness of the firm, as suggested in Chapter Three, Section 3.6. Alternatively Delta

\(^10\) Newsle. (2014). X Association’s 10\(^{th}\) Knowledge Summit to unveil report on “Innovations in healthcare” Retrieved from Newsle Website 
may aim to become a first-level service provider with the networking partners from advanced markets and hence is making investments in adaptation.

6.5.2.3 Legitimacy Associated with Stereotyping

The findings of this study relating to Beta and Epsilon support the Proposition 2 and also the Sub-Proposition 2b (Chapter Three, Section 3.6). Proposition 2 refers to the specific platforms.

**Proposition 2:** *The greater the geographical, cultural and institutional distance among network partners, the greater the need for a specific platform of adaptive mechanisms, in addition to common platforms and consequently, the greater the difficulty in achieving linkage, leverage and learning in the internationalisation of Indian firms.*

Proposition 2b refers to the need for the firm to make investments in adaptation based on the distance between the Indian firm and their advanced market network partners in terms of the institutional factors of stereotyping and the need to create legitimacy. The findings of the study in relation to Beta and Epsilon are consistent with previous studies of institutional voids in Asian markets (Hoskisson, Eden, Lau & Wright, 2000; Carney, 2005; Wright, Filatotchev, Hoskisson & Peng, 2005; Jansson, 2007a) and the negative perception as being more pronounced for the Western firms.

6.6. Institutional Factors, Trust Building and Investment in Adaptation

The earlier observations in this chapter relating to challenges in information sharing and cross-cultural influences are in accord with the findings on the institutional factors of stereotyping and legitimacy. Trust within the network is conditional on the common and specific platforms. The level of investment in adaptive mechanisms due to institutional and cultural factors are represented on a continuum ranging from none through moderate to high levels of investment (refer to Figure 6). The reasons for these differing patterns of investment in network adaptation have been discussed in Section 6.5 of this chapter regarding specific platforms.

6.7. Linkage, Leverage and Learning

All five firms: Beta, Gamma, Delta, Epsilon and Zeta confirm Mathews’ (2006) studies of internationalising from emerging markets and Proposition 2d (Chapter Three, Section 3.6).
Proposition 2d: The greater the adaptation to cross-cultural and institutional factors, the easier to address the different approaches used by the Indian firm and its advanced market network partners in building trust. The greater will be the level of investment in adaptive mechanisms. Resulting in Indian firms building successful network linkages with advanced market firms, giving the Indian firms greater ability to leverage and the greater is the learning leading to greater success in internationalisation.

The evidence from these firms supports previous studies of different approaches in building trustful relations in networks between Eastern and Western partners (Jansson, 2007a). The findings for the five firms are consistent with Proposition 2d relating to the adaptation of the firms to cross-cultural and institutional factors. Such adaptation leads to ease in building trustful relations in a context of different approaches between firms from India and their advanced network partners. This raises the level of investment in adaptation, resulting in Indian firms building successful network linkages with advanced market firms. Higher levels of investment in adaptation affords the Indian firms greater ability to leverage and enhance learning, leading to greater success in internationalisation.

However Alpha’s approach does not support this proposition. Though the firm confirms part of the proposition regarding the need for building trust, it does not support the need for investment in adaptive mechanisms. This may be due to the firm enjoying inherent benefits in the form of credibility factors, as discussed in Section 6.5.2.2. Also the firm’s approach is inconsistent with Mathews’ (2006) study which proposed that linkages lead to leveraging which leads to learning as a key reason for successful internationalisation of firms from emerging markets. However Alpha does not identify learning benefits from its network relations with advanced market firms; the reason for this could be the very innovative nature of the firm12, wherein the firm may already be on an equitable footing with its network partners or it may be more innovative than the advanced network partners. This is an aspect for further study as the Indian firm may be in a superior competitive position and may be guiding the network dynamics.

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12 Newsle. (2014). X Association’s 10th Knowledge Summit to unveil report on “Innovations in healthcare” Retrieved from Newsle Website
6.8. Summary

The propositions that are partially supported by the study are outlined below, however further research is required to support the propositions.

The findings of this study relating to Beta and Epsilon support the Proposition 2 and also the sub proposition 2b. Proposition 2 refers to the specific platforms.

Proposition 2a relating to a need for specific adaptive mechanisms are supported by Beta and Zeta.

Proposition 2c is supported by findings from Gamma and Zeta.

All five firms: Beta, Gamma, Delta, Epsilon and Zeta confirm Proposition 2d.

The findings in relation to Alpha are especially inconsistent with Propositions 2a, 2b, 2c and 2d (Chapter Three), suggesting that the firm does not need additional investment in adaptive mechanisms to deal with negative stereotyping and legitimacy.

The findings of the study are summarised in Figure 7 in the revised conceptual model.
Figure 7: Revised Conceptual Framework

**COMMON PLATFORMS**
- Information Routines
  - Absorptive Capacity
  - Incentive Mechanisms
- Strategic Monitoring
  - Self
  - Informal

**SPECIFIC PLATFORMS**
- Cross-Culture
  - Norms
  - Values
  - Thought Styles
- Institutional
  - Stereotyping
  - Legitimacy

**LEVEL OF ADAPTATION**
- Proximate (LOW)
- Non-Proximate
  - (NONE, MODERATE, HIGH)

**SUCCESSFUL ADAPTATION**
- Internationalisation- Relational rents
  - (Linkage, Leverage, Learning)
Chapter 7. Conclusion

7.1. Summary of Key findings

The present study was designed to address an overarching question: “What is the role (need and relevance) of adaptive mechanisms in the network strategy of an internationalising Indian firm?” The following three sub-questions were examined in this context:

1. What is the role (need and relevance) of adaptive mechanisms in the choice of network structure relating to collaborating partners from culturally and institutionally dissimilar backgrounds?

2. Do adaptive mechanisms have an impact on the level of investment the firm has to make to maintain the network relationship?

3. What are the outcomes of the investment made in the adaptive mechanisms on the following?
   - The nature of linkages that develop between the network partners.
   - Benefits for the firm from leveraging the linkages in their international markets.
   - Facilitation of the internationalisation process through the learning that occurs.

The key findings of the study for each of the conceptual constructs are outlined in the following sections.

7.2. Key findings on common platforms

A key finding regarding the common platforms was an interdependence between information exchange and strategic monitoring. Dyer and Singh’s (1998) model of inter-organisational relational rents did not recognise the interdependencies, but suggested that information exchange and strategic monitoring are separate dimensions in building network relations. Based on the findings of this study, the initial conceptual model has been revised to depict the interdependence between information exchange and strategic monitoring. The parameters of information exchange and strategic monitoring were classified as common platforms in the adaptive framework developed
in Chapter Three, applicable to any type of network, with the implication being that for a network to be maintained these common platforms need to be created. The interdependencies suggested in the revised conceptual model highlight the facilitative role of both the dimensions of information exchange and strategic monitoring in building trust-based network linkages, as indicated by the study findings discussed in section 6.2.1.2., Chapter Six.

The findings indicate a link between the common platform of information sharing and the specific platforms of cultural and institutional factors. Cultural factors in this study relate to differences in norms, values and thought styles between the Indian firms and their Western counterparts in the network. A key finding in the study is that cultural factors relating to differences in thought styles between the Indian firms and their advanced market network partners have a strong impact on the common platform of information sharing. This was apparent in all case firms except Alpha, as highlighted in Chapter Five, Section 5.6.2. The impact of the differences in thought styles between the Indian firm managers and their advanced network partner managers is reflected in the dependence of firms like Beta and Gamma on contractual provisions rather than on informal relations for information exchange. Contractual provisions were applied by Beta owing to an over-cautious perspective of the firm on meeting US regulations relating to raw materials. With regard to norms relating to business practices, although differences emerged, the underlying reasons for the differences relate to institutional factors such as superior quality standards in Western markets or the complex taxes and duties prevalent in the Indian market. However, despite differences between Epsilon, Zeta and Delta and their advanced network partners on cultural aspects, these firms are able to build informal information exchange processes.

The common platforms are strongly influenced by the specific platform of institutional factors of stereotyping and legitimacy in the case of Alpha, Beta, Delta, Epsilon and Zeta (see Figure 5). The institutional distance between the Indian firms and their advanced market partners introduces the challenge of the firms having to cope with the impact of this factor on the common platforms of information exchange and strategic monitoring. The study indicates that in the areas of sharing information over intellectual property, trust-building is challenging. Lack of trust by the advanced market firms relates to factors of stereotyping and legitimacy. Hence, network relations between the Indian firms and their advanced market firms tend to revert to contractual arrangements rather than to relationally based agreements. It is in these common platforms that
adaptation with associated investment is required. Trust-building is therefore incorporated in the common platforms of the revised model based on the study findings. The interdependence between the common platforms of information exchange and strategic monitoring, as incorporated in the revised model, also facilitates building trust between the network partners.

7.2.1. Implications of the Findings on Common Platforms

Taken together, the findings regarding common platforms highlight the impact of stereotyping and legitimacy on information exchange and strategic monitoring in the case of Indian firms in their advanced market networks. It may be that Indian firms need to revert to contractual arrangements with advanced network partners rather than using the informal relational approaches with which they traditionally work. Also, although a cultural impact was identified among the case firms, they appear to have the ability to work around cultural differences, especially in thought styles, due to the exposure of the founders to advanced markets during their study, work or prior life in advanced markets.

Building trust and mutuality in the processes of information exchange and strategic monitoring continue to be hampered by institutional factors. Indian firms may need to invest more in dealing with issues of stereotyping and legitimacy.

7.2.2. Significance of the Findings on Common Platforms

This work contributes to the existing knowledge of network relations between Western and Eastern firms. The current study of common platforms adds to the growing body of literature which emphasises the overly contractual arrangements that Western firms typically rely on, and contrasts with the relational approaches typical of Asian firms. This study indicates that in their quest for internationalisation emerging market firms such as those in India are adapting to their advanced country market network partners by using contractual relations.

7.3. Key Findings on Specific Platforms

7.3.1. Cross-cultural Factors and Investment in Adaptation

In the context of cross cultural management the study revealed that some firms may have inherent qualities, such as exposure of the founders to Western markets or
experience in working with multinational organisations in their domestic markets, which enables them to manage cultural differences between India and advanced markets. Firms that possess these qualities do not have to make any specific investments to introduce collaborative/adaptive mechanisms as presented in Chapter Six, Section 6.5.1.

However, the study also highlighted the need for other Indian firms to adopt a cross-cultural management approach to enhance network relations with advanced market firms. Such firms need to make specific investments to introduce collaborative adaptive mechanisms. For instance Zeta invested in employing bilingual staff and also in providing the options of both offshore and onsite services to their advanced market network partners.

As highlighted in Section 7.2 of this chapter, the findings indicated cultural differences between thought styles of Indian managers and those of their advanced market network firm managers. This cultural difference was seen in all of the firms except Alpha, and it had an impact on information sharing between the Indian firms and their advanced market network partners. Specifically in the context of information sharing relating to intellectual property and compliance with legal standards in Western markets, the relationships are contractual. The study revealed a possible interdependence between information sharing, cultural factors and institutional factors, thereby modifying accordingly the original model for the study.

Beta and Zeta have made investments in adapting to, and building trust through Western contractual approaches. As detailed by Sikorski and Menkhoff (2000) and Khatri, Tsang and Begley (2006), and discussed in Chapter Three, the greatest strength of the networks that firms from India have is said to be their relational strengths. These findings were highlighted by Beta as not being dependent on traditional approaches to building trust through individual and social determinants, as proposed by Jansson (2007b). However, the findings for Beta support Jansson's (2007b) views on the approach of Western firms to trustworthiness as based more on organisational and professional links within the networks. With the other firms in the study, Alpha, Zeta, and Gamma use a combination of relational and contractual approaches, whereas firms such as Delta and Epsilon are solely relational.
Based on the findings for Alpha, some firms from India may have leading-edge innovations that make them dominant partners, as contributors and valued members of the network with advanced market nations. The study also indicates that where the firms have this characteristic no investment is made in adaptation, as cultural challenges are not perceived as a particular challenge in network relations with advanced network partners. However, further research using a wider sample is needed to confirm such a tendency.

7.3.2. Key Findings on Institutional Factors and Investment in Adaptation

This study has shown that factors other than stereotyping are associated with the creation of legitimacy for the Indian firms in their network relations with advanced market network partners. This has emerged from the study as one reason for the need for investment in adaptation. However, one of the more important findings to emerge from this study is the credibility of the Indian firm. This credibility may be generated through the firm’s global achievements in innovation associated with the founder’s achievements as well as leadership, and participation in international organisations. The organisational and individual credibility eliminates stereotyping or legitimacy issues for such Indian firms in their relationships with advanced market firms.

The key implication is that firms needing to invest in creating legitimacy are best to do so by addressing stereotyping issues.

7.3.3. Implications of Key Findings on Specific Platforms and Investment in Adaptation

The implication from the findings is that some Indian firms are beginning to gain innovative competitiveness that is sought after by the advanced market firms. Such Indian firms would be in a position to decide the implicit rules for network dynamics. In the context of such firms, the impact of stereotyping and legitimacy would be non-existent and hence investment in adaptation is non-existent.

In the case of network relations with advanced market firms, investment levels of firms in this study are on a continuum ranging from high to no investment required in adaptation. Hence the revised conceptual model depicts this range of investment.
7.3.4. Significance of Findings on Specific Platforms and Investment in Adaptation

The study has enhanced our understanding of the impact of cross-cultural and institutional factors on the nature of investments that Indian firms incur in building trustful relations with their advanced market network firms. The current findings on emerging market firms entering advanced markets adds to a growing body of literature on Eastern strategic perspectives of internationalisation.

The present study makes two noteworthy contributions to the emerging literature on internationalisation of emerging market firms into Western markets using network strategy. First is the limited impact of national culture on network relations between Eastern and Western market firms. Indian firms with founders who have studied, worked and lived in Western markets, or have partnered with multinational organisations in their domestic or other markets, may have gained an ability to manage cultural differences between India and the Western markets. Therefore such firms perceive few challenges in managing cultural differences. Second is the role of a firm and its founder’s credibility in negating the effect of institutional factors on network dynamics of an emerging nation firm with its advanced market partners. Indian firms with a founder who has gained international acclaim through his/her achievements may gain ready acceptance from their Western market partners. In the case of firms not possessing such qualities investment in adaptation to institutional factors can be high.

7.4. Key Findings on Linkage, Leverage and Learning.

Two major findings in relation to the gains in internationalisation based on successful network relations built through adaptation are that:

- Successful network linkage with advanced network partners improves the Indian firm’s ability to leverage these linkages. Thus follows a virtual circle leading to further success in extending their internationalisation to other markets through learning.

- The Indian firm may have inherent abilities in leading edge innovation that assist in building strong network linkages. However as indicated by the findings for Alpha, such firms do not necessarily use or need these linkages to leverage or learn from the linkages, for their success in internationalisation. Evidence from
Alpha suggests that the firm may share the knowledge developed for an educational purpose in their field, as it networks with a number of public and private non-profit international organisations, as mentioned in Chapter Five, Section 5.1.1. The firm may also extend the use of this knowledge to international organisations in lesser developed markets for societal benefits.

7.4.1. Implications of the Key Findings on Linkage, Leverage and Learning

Based on this study five of the six firms have succeeded in generating benefits in their internationalisation from their networks with advanced market firms. It may be that Indian firms may be accruing the gains of linkage, leverage and learning through effective network relationships with their advanced market partners.

Indian firms with inherent abilities may not necessarily be dependent on networks with advanced markets for the success of their internationalisation, but may be part of networks in order to share their innovative capabilities for societal and educational purposes. However further research using a wider sample is needed to confirm the prevalence of such networks among internationalising Indian firms.

7.4.2. Significance of the Key Findings on Linkage, Leverage and Learning

The findings within this study of linkage, leverage and learning highlight the approach used by Indian case firms in their networks with advanced market firms for their success in internationalisation. The findings also signal that there may be a new trend among Indian firms that they are taking a lead in network dynamics with advanced market firms on a platform of innovative capabilities. However research through a wider sample is needed to confirm this trend.

7.5. Limitations of the Study Findings

While the study has yielded valuable insights, the results should be interpreted with caution. This is due to the small sample size and because of the particular entrepreneurial nature of the case firms which will inevitably differ in their characteristics from other types of firms. All six case participants were small entrepreneurial firms in which the founder partner or CEO makes all decisions relating to internationalisation. This particular characteristic may also influence the results of the study.
Time constraints also meant that the research focused mainly on respondents who accepted the invitation to participate and once the criterion of six cases was reached no attempt was made to contact additional organisations. While this met the multiple case study requirement, the results cannot be generalised to all networked Indian firms and further research is required to confirm the findings as being more generally applicable.

The definition of advanced markets is classified as one broad group of Western markets involving countries like the U.S.A., U.K., Germany, Switzerland, Canada, Australia, and New Zealand. However differences between the market characteristics from one country to another may apply in specific contexts. Further research is required to generalise the findings to a specific Western market.

The study makes no distinction between the characteristics/nature of internationalisation of the firms. It assumes that the specific platforms of institutional and cultural context will have a similar impact irrespective of the nature of internationalisation. The study does not imply that the type of internationalisation, whether aggressive or the traditional incremental approach, gives firms greater or lesser ability to deal with these dimensions.

The e-mail interview method of data collection involved limited interaction between the interviewee and interviewer. However triangulation was provided through information from secondary sources relating to the organisation. Also the multiple case approach involving cross-case analysis of the constructs in the conceptual model was used to provide further triangulation.

7.6. Directions for Future research

The study has not addressed the perspective of internationalisation using networks in similar country markets as outlined in the conceptual framework in Chapter Three. Future studies may uncover new insights from comparisons between the network adaptive mechanisms operational in similar and dissimilar markets. The international markets for Indian firms are situated in regionally, culturally and institutionally closer countries such as China, Malaysia, Indonesia, and Sri Lanka as well as in geographically, culturally and institutionally distant countries like the U.S.A., U.K., Australia, and New Zealand. The comparison of Indian firms operating in distant markets such as U.S.A., with those in closer markets such as China, may yield new insights.
The current study has focused on firms from information technology, manufacturing and the services sector; inclusion of firms from a broader selection of industries could provide additional insights. Also more specifically, it is worth exploring in future studies whether the nature of industries in which firms operate has an impact on the development of informal relational exchanges. The dimensions of institutional factors outlined in the model may have a different impact on firms from larger cities, as compared to those from the smaller cities in India. A comparative study to test the conceptual constructs of Indian firms from larger cities with those from smaller cities may reveal useful insights. An aspect revealed by one participant firm in this study is the confidence and ability of a larger Indian firm in managing network relations in comparison to a smaller one. Future studies could test the conceptual framework by making a comparison between larger and smaller Indian firms.

This study made no distinction regarding the nature of internationalisation in the case firms. Future studies could explore the impact of the type of internationalization, whether aggressive or the traditional incremental approach, on the ability of Indian firms to deal with the dimensions of adaptation outlined in the conceptual framework.

A key finding in this study was the participants’ perception regarding few challenges in managing cultural differences with their advanced market partners. This was due to the familiarity of the founders with Western markets through professional education, and living and working in advanced countries. The role of international experience among top management in countering negative stereotyping of firms by advanced market partners is a further focus area for research. The founder’s achievements, personal charisma and track record, were reasons for establishing effective links with advanced market partners in the case of one firm in this study; further empirical studies in future may reveal additional insights in this regard.

The particular entrepreneurial nature and small size of the case firms in this study, which will inevitably differ in their characteristics from other types of firms, highlights the need for future studies to test the conceptual framework on other types of firms. Also, more specifically, the affect of firm size on its capability in developing informal ties with network organisations through a larger contract is worthy of further study. Of greater importance is the relationship of firm size in conjunction with the advanced network partner, as indicated by the findings on Beta in this study.
Based on the characteristics of the case firms in this study (Chapter Five, Section 5.3), the role of innovation in network relationships between Indian firms and their advanced network partners forms an area of future research in network collaborative processes. Based on the findings in the context of Alpha, some firms from India may have leading edge innovations that make them dominant partners in the network. The study also indicates that where the firms have this characteristic the absence of challenges associated with cultural and institutional factors means that there tends to be no investment in adaptation. Future research using a wider sample may provide additional insights on the emergence of such a tendency.

The findings in the case of Zeta identified a lack of knowledge of the operations of the Indian firm as the reason for the firm to make investments in creating legitimacy with their advanced market partner (see Chapter Five, Section 5.2.1.1.). Factors other than stereotyping, such as lack of knowledge of the firm’s operations, which highlight the need for an Indian firm to build legitimacy with their advanced market network partners, could be explored in further studies.

7.7. Conclusion

This study set out to explore the adaptive mechanisms that Indian firms would need to build effective network relations with their advanced market partners and assist their internationalisation into advanced markets. The study posed the questions: What is the role (need and relevance) of adaptive mechanisms in the choice of network structure relating to collaborating partners from culturally and institutionally dissimilar backgrounds? Do adaptive mechanisms have an impact on the level of investment the firm has to make to maintain the network relationship? What are the outcomes of the investment made in the adaptive mechanisms?

The findings of this research suggest that the major differences between Indian firms and their advanced network partners arise in the areas of information sharing and cultural factors, but stereotyping and legitimacy provide an underlying reason for these differences. A major area of adaptation for Indian firms in their internationalisation is in overcoming the challenge of stereotyping and legitimacy. A key finding is that an Indian firm may not need to invest in adaptation where it possesses inherent abilities, such as knowledge and experience of advanced markets, which enable it to manage
cultural differences. Also the credibility associated with international reputation and achievement may facilitate legitimacy. Such abilities facilitate the management of the relational dimension of network partnerships in advanced country markets.

These main findings from the study have revised and modified the initial conceptual framework with regard to:

a. The interdependence between information routines and strategic monitoring
b. The link between the common and specific platforms
c. The impact of common platforms on trust building within the network
d. The levels of investment in adaptation to include a range of investment levels (see Figure 7).

The revised model provides a basis for internationalising firms from this region to better understand and manage the dynamics of network relations with advanced market network partners. This study adds to the growing body of empirical research in international business concerning emerging market firms’ internationalisation strategies into advanced markets using network strategies. The study used an e-mail interview approach to collect information from six Indian firms. Further research directions have been outlined in concluding the study, thus offering an opportunity for future studies to further enrich and refine the framework and test the outcomes of this study.
References and Bibliography


Appendices
Appendix A: Network and Capital Characteristics of Inter-Firm Networks

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<th>Dimensions</th>
<th>Characteristics</th>
<th>Network capital</th>
<th>Social capital</th>
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</thead>
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<td><strong>Source</strong></td>
<td>Rationality</td>
<td>Economic</td>
<td>Social/ Normative</td>
</tr>
<tr>
<td>Networks</td>
<td></td>
<td>Calculative networks, although social networks emerge as a by-product</td>
<td>Social networks</td>
</tr>
<tr>
<td><strong>Investments</strong></td>
<td>Investment</td>
<td>Relationship investment by firms</td>
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</tr>
<tr>
<td><strong>Mechanisms</strong></td>
<td>Interaction</td>
<td>Based on logic of business and professional expectations</td>
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<tr>
<td>Networks</td>
<td>Stability</td>
<td>Mix of stable and dynamic networks</td>
<td>Mainly Stable</td>
</tr>
<tr>
<td></td>
<td>Trust</td>
<td>Reflective</td>
<td>blind</td>
</tr>
<tr>
<td>Management</td>
<td>Can be strategically managed by firms</td>
<td>Difficult to manage strategically by firms</td>
<td></td>
</tr>
<tr>
<td>Spatial proximity</td>
<td>Network actors not necessarily spatially proximate</td>
<td>More propensity towards spatial proximity</td>
<td></td>
</tr>
<tr>
<td><strong>Object</strong></td>
<td>Key object</td>
<td>Firms</td>
<td>Individuals</td>
</tr>
<tr>
<td>Firm size</td>
<td>Large and growing firms</td>
<td>Small and new firms</td>
<td></td>
</tr>
<tr>
<td><strong>Impact</strong></td>
<td>Network returns</td>
<td>Principally economic although social returns may emerge as a by-product</td>
<td>Principally social although economic returns may emerge as a by-product</td>
</tr>
</tbody>
</table>

(Source: Adapted from Higgins, 2009)
Appendix B: Participant Information Sheet

Participant Information Sheet

Date Information Sheet Produced:

17th September 2013

Project Title

“A Strategic Perspective on Facilitation of Network Approaches: Emerging Network Structure and Adaptive Systems in the Internationalisation of Indian Firms”.

An Invitation

Dear X,

I am Alanah Malkani, a student of Auckland University of Technology, Auckland, New Zealand and I would like to extend an invitation to you to participate in an interview as part of my Master of Business research Project at AUT University. My research is focused on networks that firms in an emerging economy may engage in to facilitate their entry into advanced country markets and I am especially interested in the interconnections that Indian firms might use as they enter and develop their presence in the global marketplace. It is hoped that this research will lead to a better understanding of the processes and best practices involved in developing such network linkages.

I hope that you will agree to take part in an interview to share your knowledge and experience on this key topic. However, your participation in this research is totally voluntary and if you agree to be interviewed by email you have the right to withdraw from the interview process at any time for any reason prior to the completion of data collection. To give you time to think about this invitation, I will contact you in one week’s time for your decision about participating in an interview via email.
What is the purpose of this research?

The main purpose of the research is to complete a thesis on the above topic, as part of my MBus qualification from Auckland University of Technology.

The study involves researching practices adopted by Indian firms using networks in their internationalisation process. This research is designed to fulfil a gap in the knowledge of internationalisation of businesses in emerging economies. India is of particular interest because of its growing presence in international markets, especially where Indian firms collaborate with firms in advanced economies. In this research I am focusing on the challenges faced by Indian firms in managing their network relationships in this context.

How was I identified and why am I being invited to participate in this research?

I have identified your organisation through the online database: Kompass, and you have been identified as a key informant holding a management/senior position directly involved in or related to your experience in the internationalisation process and network management of company operations.

What will happen in this research?

A Consent Form has been attached to the email with this Information Sheet. If you agree to participate in this research I will first need you to sign and return the Consent Form by fax or email (see email for fax contact details and email address). The research involves an email interview process, whereby I will then email to you the interview questions in two separate sets for you to respond to online, having given your signed consent to participate. The online link will be included in the email and you will be able to go directly via this web link to the questions and submit them when you have completed your answers. I will analyse the first set of questions from all respondents before sending to you, by the same process, the second set of questions.

The first set will contain up to eight questions, some of which will require only a check box response while others are more open-ended where you have the opportunity to share your thoughts on the question topic.

The second set will include any follow-up questions relating to your responses to the questions in the first set. This set is likely to involve approximately 10-12 questions, in
a similar format. It may be that a small number of additional questions may follow the second set if further discussion is warranted, to which you may choose to respond if you are willing to do so. The research involves a total commitment of approximately one hour of your time in responding to all of the questions.

What are the discomforts and risks?

My research asks you to provide descriptive information about the organisational practices and experiences of your company’s internationalisation process and focuses on challenges you may have encountered in building those network relationships. There should be no discomforts or risk throughout the interview process. Questions will be directed towards the company, its practices and methods, and are not about individuals within the company. You are entirely free to respond to the questions which you wish to answer and to submit them when you choose to do so.

How will these discomforts and risks be alleviated?

If you do not wish to answer certain questions asked in the interviews, you are free to skip these questions and go onto the subsequent questions. However, the interview questions will be general in nature and will not seek specific commercial information that may be sensitive.

What are the benefits?

The topic being researched will result in my gaining a Master’s degree in Business Studies. The topic of research is relatively new in the context of internationalisation of businesses in India and will contribute to the body of knowledge in this field. The research and its findings will also provide you and your organisation with insights into other practices prevalent in the field of network relationship management, which you may find useful for benchmarking your own company.

How will my privacy be protected?

All the information provided by you during the course of the online interviews will be used only for the purpose of my thesis. Also, confidentiality will be maintained by using a pseudonym for your organisation and an alphabetical code for you, in all written reporting of the final results. No individual or company will be identifiable in the thesis.
Interview data will be stored on a memory stick and kept in a locked cabinet and under password on a computer, and will be deleted one year from the conclusion of the research. The research findings may be published in the AUT University library and excerpts from the research may be included in academic publications.

What are the costs of participating in this research?

The online responses to all of my questions require a commitment of approximately one hour in total. Your participation in the research is entirely voluntary and you are free to leave the process at any time before the completion of the data collection without any consequences to you.

What opportunity do I have to consider this invitation?

The email containing the web link to the questions will follow approximately one week after your acceptance of this invitation and signed consent to participate in the research. If you do not wish to be involved in the study you may reply by return email indicating your decision not to participate and no further email contact will be made. If you are willing to participate, upon my receipt of your signed consent I will send you a further email where you may simply follow the direct link to the interview questions which you complete and submit online by the date indicated in the email.

How do I agree to participate in this research?

If you agree to participate in this research, please complete and return by fax the attached consent form.

Alternatively, I am happy to forward a digital copy for you to sign electronically and email back if this is more convenient.

Will I receive feedback on the results of this research?

The final report will be posted online and a URL link directing you to the report will be supplied upon its completion. Alternatively a report can be sent to you via email or post, if requested.

What do I do if I have concerns about this research?
Any concerns regarding the nature of this project should be notified in the first instance to the Project Supervisor, Dr. Coral Ingley, coral.ingley@aut.ac.nz, Tel: +64 9 921 9999 x 5419.

Concerns regarding the conduct of the research should be notified to the Executive Secretary of AUTEC, Kate O’ Connor, ethics@aut.ac.nz, + 64 9 921 9999 ext 6038.

Whom do I contact for further information about this research?

Researcher Contact Details:

Alanah Malkani, gcd5036@aut.ac.nz

Project Supervisor Contact Details

Dr. Coral Ingley, coral.ingley@aut.ac.nz

Associate Professor
Management Department
Faculty of Business and Law
AUT University
Private Bag 9006
Auckland 1142
Tel: +64 9 921 9999 x 5419

Approved by the Auckland University of Technology Ethics Committee on 18th September, 2013, AUTEC Reference number 13/239.
Appendix C: Consent Form

Consent Form

Project title: “A Strategic Perspective on Facilitation of Network approaches: Emerging Network Structure and Adaptive Systems in Internationalisation of Indian Firms”

Project Supervisor: Dr. Coral Ingley

Researcher: Alanah Malkani

- I have read and understood the information provided about this research project in the Information Sheet dated 17th September, 2013.
- I have had an opportunity to ask questions and to have them answered.
- I understand that I may withdraw myself or any information that I have provided for this project at any time prior to completion of data collection, without being disadvantaged in any way.
- If I withdraw, I understand that all relevant information including all e-mailed responses will be destroyed.
☐ I agree to take part in this research.

☐ I wish to receive a copy of the report from the research (please tick one):

Yes ☐

No ☐

Participant’s signature:

........................................................................................................................................

Participant’s name:

........................................................................................................................................

Participant’s Contact Details (if appropriate):

........................................................................................................................................

........................................................................................................................................

........................................................................................................................................

........................................................................................................................................

Date:

Approved by the Auckland University of Technology Ethics Committee on 18th September, 2013. AUTEC Reference number 13/239

Note: The Participant should retain a copy of this form.
Appendix D: Ethics Approval Letter

18 September 2013

Coral Ingley

Faculty of Business and Law

Dear Coral

Re Ethics Application: 13/239 A strategic perspective on facilitation of network approaches: Emerging network structure and adaptive systems in the internationalisation of Indian firms.

Thank you for providing evidence as requested, which satisfies the points raised by the AUT University Ethics Committee (AUTEC).

Your ethics application has been approved for three years until 18 September 2016.

As part of the ethics approval process, you are required to submit the following to AUTEC:

A brief annual progress report using form EA2, which is available online through http://www.aut.ac.nz/researchethics. When necessary this form may also be used to request an extension of the approval at least one month prior to its expiry on 18 September 2016;

A brief report on the status of the project using form EA3, which is available online through http://www.aut.ac.nz/researchethics. This report is to be submitted either when the approval expires on 18 September 2016 or on completion of the project.

It is a condition of approval that AUTEC is notified of any adverse events or if the research does not commence. AUTEC approval needs to be sought for any alteration to the research, including any alteration of or addition to any documents that are provided to participants. You are responsible for ensuring that research undertaken under this approval occurs within the parameters outlined in the approved application.

AUTEC grants ethical approval only. If you require management approval from an institution or organisation for your research, then you will need to obtain this. If your research is undertaken within a jurisdiction outside New
Zealand, you will need to make the arrangements necessary to meet the legal and ethical requirements that apply there.

To enable us to provide you with efficient service, please use the application number and study title in all correspondence with us. If you have any enquiries about this application, or anything else, please do contact us at ethics@aut.ac.nz.

All the very best with your research,

Kate O’Connor

Executive Secretary

Auckland University of Technology Ethics Committee

Cc: Alanah Malkani gcd5036@aut.ac.nz
Appendix E: Indicative Interview Questions- Set-1 and Set-2

Adaptive Mechanisms to facilitate network relations in the Internationalisation of Indian firms

Interview Questions-Internationalisation- Questions for Sequential E-Mail Interviews

Set 1 - to be answered as first set of questions

Q. 1. Please specify your role in the company's internationalisation activities. (Tick as many as apply)

- Founder member responsible for internationalisation decisions
- International business manager responsible for only ONE international market
- International business manager responsible for MORE THAN ONE major international market.
- International business manager responsible for ALL markets of the company
- Leader of a team responsible for THE company's international activities
- Other: [ ]

If you choose "Other(s)", please specify which market(s)

- U.S.A
- U.K.
- Germany
- Switzerland
- Canada
- Australia

Q. 2. In which of the following markets does your organisation operate with network partners
Q. 3. What processes are adopted by your organisation to ensure that key information is exchanged with your advanced market network partners?

Q. 4. What are the major challenges faced by your organisation in exchanging key information with advanced market network partners?

Q. 5. Does your organisation use any of the following to encourage information exchange with advanced market network partners?

- Contractual provisions
- Incentives
- Informal discussions
- Other:

Q. 6. How does your organisation monitor and review your advanced market network relations?
Q.7 What inputs do your advanced market network partners have in your network review process?

Q.8. Which, if any, of the following methods would your organisation use to address challenges in advanced market network relations?

- Redress through contractual provisions
- Use an external agent to resolve the issues
- Consult network partners and work out a solution
- Other: [ ]

Name and e-mail address

Set-2 Sequential Interview Questions.

(To answer the following questions use any of your advanced market network partners' as an example.)

Q.1. Describe any advanced market network partners' business practices that differ markedly from generally accepted ways of business dealing in India?

Q.2. How different are your advanced country network partner(s)' values from Indian values?

(Please tick in the relevant box a number closest to your opinion about each of the following items- ranging from 1 for extremely different to 5 for no difference)
3. In your meetings with your advanced market network partners, do you need to present information and conduct your discussions in a way that is markedly different from meetings with your home market firms?

<table>
<thead>
<tr>
<th>Environmental consciousness</th>
<th>Extremely different-1</th>
<th>Moderately different-2</th>
<th>Somewhat different-3</th>
<th>Slightly different-4</th>
<th>No difference-5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contribution towards</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>community and society</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Religious values</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Family and Kinship values</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Quality standards</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Extending gifts, payments</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>to others for favours</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Value of employees</td>
<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Timelines/punctuality</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equality in society-</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>egalitarian values</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Innovation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Q. 4. If yes, why do you feel the need to change the way you conduct meetings with your advanced market network partners?

Q. 5. What are the main differences between the thinking styles of your advanced network partner(s) managers and your company managers? (Click on each relevant aspect.)

Network partner managers’ thinking is different from our organisation

- Advanced market network partner managers’ interpretation of political, economic, social situations.
- Advanced market network partner managers’ interpretation of business events.
- Advanced market network partner managers’ expectations and needs from business dealings.
- The information advanced market network partner managers are willing to share.
- The personal effort made by advanced market network partner managers’.
Network partner managers’ thinking is different from our organisation.

The support advanced market network partner managers’ are willing to give.

Go to Q.7

Q.6. Why is there no difference in business practices between your organisation and your advanced market network partner(s)?

- Network partner is a multinational organisation with familiarity with the Indian business patterns
- Network partner is our subsidiary business
- Network partner is our partner in the domestic market also
- Network partner has dealt with our firm in other markets
- Our international business managers dealing with network partners have studied and/or lived and/or worked in advanced markets
- Other:

Q.7. What main concerns are typically raised by your advanced market network partners at the beginning of the network relationship?

- Lack of knowledge of your company’s operations
- Require assurances on quality standards e.g. international certification.
- Trial partnering arrangements.
- Greater financial commitment than partner.
- Restrictive terms and conditions for the network relationship
- Credentials or references from previous customers
- Access to other prospective network partners.
- Negative attitudes towards products and services from India.
- Regulatory contractual arrangements.
- Negative attitudes about institutional arrangements in India.
- Other:

Q.8. Has your organisation made any special investment of resources to adjust to advanced market network partners differences?

(Resources include time, effort, financial, technological, employee, training, specialised expertise.)
Q.9. What are the benefits to your organisation from investments you have made to adjust to these differences?
(Tick all options that apply.)

- Stronger relationship with advanced market network partners.
- Advanced market network partners sharing information more openly.
- Other: [ ]

Q.10. What are the benefits to your organisation from investments you have made in building your network links with your advanced market network partners?

- Access to superior technology and innovation and entry into other advanced markets.
- Enhanced image and reputation of your company's operation helping entry into other advanced markets.
- Access to customers in other markets.
- Access to financial, operational resources and facilities that could be used for entry into other markets.
- Joint operations and ease of entry into other advanced markets.
- Knowledge gained about other advanced International markets.

Q.11. To sum up, how would you describe the importance of the investment your company has made in building your relationship(s) with your advanced market network partners', to your company's successful internationalisation?

Note: Follow-up questions will be developed and included as relevant topics and issues emerge on the basis of the responses given to Set-1 and Set-2 questions in keeping with the principle of developing a rich description in qualitative research methodology.

Kindly affix your name *

Kindly affix your e-mail address *
Appendix F: Summary Profiles of Case Study Organisations’

<table>
<thead>
<tr>
<th><strong>Alpha</strong>&lt;sup&gt;13&lt;/sup&gt;</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sector:</strong></td>
<td>Health-tech services.</td>
</tr>
<tr>
<td><strong>Age:</strong></td>
<td>4 years old, started in 2010.</td>
</tr>
<tr>
<td><strong>Advanced Markets:</strong></td>
<td>U.S.A, Canada, and Europe.</td>
</tr>
<tr>
<td><strong>Structure and size:</strong></td>
<td>Small firm less than 25 employees, private limited.</td>
</tr>
<tr>
<td><strong>Type of network partners:</strong></td>
<td>Complex network of partnerships.</td>
</tr>
</tbody>
</table>

- Network of virtual contractors and experts.
- A network of national contractors and experts.
- A network of national and international public and private organisations spread across the globe involved in innovative health service delivery.
- Networks of membership of number of significant not-for profit organisations of international acclaim.
- Networks with community based organisations relating to educational activities in delivery of health services in diverse societies.
- Networks of government and industry involving telecommunications and health sector organisations.

<table>
<thead>
<tr>
<th><strong>2. Beta</strong>&lt;sup&gt;14&lt;/sup&gt;</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sector:</strong></td>
<td>Manufacturing high precision products and service delivery for turn-key projects that are applied in varied industries like packaging, medical devices, consumer goods, appliances – B2B sector.</td>
</tr>
<tr>
<td><strong>Age:</strong></td>
<td>Started in 2002, expanding rapidly from being an exclusive agent to strategic consulting for turn-key projects to manufacturing high precision products.</td>
</tr>
<tr>
<td><strong>Advanced Markets:</strong></td>
<td>U.S.A.</td>
</tr>
<tr>
<td><strong>Structure and size of the firm:</strong></td>
<td>A small family owned organisation with subsidiary business in USA, privately held.</td>
</tr>
<tr>
<td><strong>Type of network partners:</strong></td>
<td>The company’s network includes designers, raw material suppliers, logistics suppliers and end customers in U.S.A.</td>
</tr>
<tr>
<td></td>
<td>(Also with existing network with suppliers in Asian markets such as Taiwan- not considered within this study)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>3. Gamma</strong>&lt;sup&gt;15&lt;/sup&gt;</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sector:</strong></td>
<td>Services in strategy, marketing consultancy and information technology.</td>
</tr>
</tbody>
</table>

---


Note: The actual name of the companies is not disclosed in this thesis for reasons of anonymity and confidentiality.

| **Age:** | New firm, started in 2012. |
| **Advanced Markets:** | Global across different countries, mainly U.S.A, U.K, Switzerland and Australia. |
| **Structure and size of the firm:** | Small entrepreneurial firm privately held. |
| **Type of network partners:** | Network of diverse clients from different industries and markets. |

### 4. Delta

| **Sector:** | Information and technology services started globally. |
| **Age:** | Started in 2013. |
| **Advanced Markets:** | U.S.A and Sweden. |
| **Structure and size of the firm:** | Small entrepreneurial privately held firm. |
| **Type of network partners:** | Delta firm has the support of a major global promoter for the firm’s entrepreneurial activities. Furthermore a large multinational organisation provides opportunities for the firm as their system integrator for clients worldwide. Also the company has established a network of clients in their advanced markets. |

### 5. Epsilon

| **Sector:** | Information technology in the field of manufacturing and engineering services. |
| **Age:** | Started in 1998. |
| **Advanced Markets:** | Major markets are U.S.A, Germany and France. |
| **Structure and size of the firm:** | Small entrepreneurial firm, privately held. |
| **Type of network partners:** | The company’s network includes its long standing client organisations spread across diverse industries. It has both domestic as well as international clients. |

### 6. Zeta

| **Sector:** | Information technology, training and staffing solutions. |
| **Age:** | Started in 2011. |
| **Structure and size of the firm:** | 51-200, small privately, held. |
| **Type of network partners:** | Small-businesses and mid-size global business clients; network partner is a multinational organisation with familiarity with the Indian business patterns. The organisation developed a multi-cultural team to cater to diverse clients. The strength of the organisation is an integrative and collaborative approach with both on-shore as well as off-shore development facilities. |

---

The first column outlines the theoretical constructs included in the conceptual model in Chapter Three. The second column includes the codes assigned for each construct involved in the model. The third column outlines the research question associated with each construct and code.
## Appendix H: Definitions of Prior Codes

<table>
<thead>
<tr>
<th>NRCP</th>
<th>Network relationship aspects involving generic issues as experienced by the case study organisations.</th>
</tr>
</thead>
<tbody>
<tr>
<td>NRCP-IR</td>
<td>Network relationship generic issues relating to information routines or exchanges between network partners as experienced by case study organisations.</td>
</tr>
<tr>
<td>NRCP-IRAC</td>
<td>Network relationship generic issues relating to information routines or exchanges involving the firms’ absorptive capacity which are indicated by the challenges faced by the case study organisations in the process of information exchange with network partners.</td>
</tr>
<tr>
<td>NRCP-IRIM</td>
<td>Network relationship generic issues relating to information routines or exchanges between network partners as experienced by case study organisations.</td>
</tr>
<tr>
<td>NRCP-SM</td>
<td>Network relationship generic issues relating to strategic monitoring between network partners as experienced by case study organisations.</td>
</tr>
<tr>
<td>NRCP-SMS</td>
<td>Network relationship generic issues relating to strategic monitoring through self-governance without the use of external agents.</td>
</tr>
<tr>
<td>NRCP-SMI</td>
<td>Network relationship generic issues relating to strategic monitoring through informal mechanisms rather than contractual provisions.</td>
</tr>
<tr>
<td>NRSP</td>
<td>Network relationship specific issues relating to non-proximate partners from advanced markets.</td>
</tr>
<tr>
<td>NRSP-CC</td>
<td>Network relationship specific issues relating to cross-cultural aspects of non-proximate network partners involving elements of national cultural differences as experienced by case study organisations.</td>
</tr>
<tr>
<td>NRSP-CCN</td>
<td>Network relationship specific issues relating to cross-cultural aspects of non-proximate network partners involving elements of national cultural differences in norms as experienced by case study organisations.</td>
</tr>
<tr>
<td>NRSP-CCV</td>
<td>Network relationship specific issues relating to cross-cultural aspects of non-proximate network partners involving elements of national cultural differences in values as experienced by case study organisations.</td>
</tr>
<tr>
<td>NRSP-CCT</td>
<td>Network relationship specific issues relating to cross-cultural aspects of non-proximate network partners involving elements of national cultural differences in thought styles as experienced by case study organisations.</td>
</tr>
<tr>
<td>NRSP-I</td>
<td>Network relationship specific issues relating to institutional aspects of non-proximate network partners involving elements of institutional differences as experienced by case study organisations.</td>
</tr>
<tr>
<td>NRSP-IS</td>
<td>Network relationship specific issues relating to institutional aspects of non-proximate network partners involving elements of institutional differences involving stereotyping as experienced by case study organisations.</td>
</tr>
<tr>
<td>NRSP-IL</td>
<td>Network relationship specific issues relating to institutional aspects of non-proximate network partners involving elements of institutional differences.</td>
</tr>
</tbody>
</table>
involving legitimacy as experienced by case study organisations.

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>INP</td>
<td>Investment levels as perceived by case study organisations due to non-proximate network partners and need for specific platforms.</td>
</tr>
<tr>
<td>IN</td>
<td>Impact on internationalisation.</td>
</tr>
<tr>
<td>INLK</td>
<td>Impact on network linkages in internationalisation.</td>
</tr>
<tr>
<td>INLV</td>
<td>Impact on network leveraging in internationalisation.</td>
</tr>
<tr>
<td>INLR</td>
<td>Impact on network learning in internationalisation.</td>
</tr>
</tbody>
</table>
Appendix I: Case Study Contact Summary Forms

Contact Summary Form: Alpha

**Role of the Participant:** Founder responsible for internationalisation decisions

Markets: U.S.A. Canada and Europe.

Date Coded: 20/12/2013

<table>
<thead>
<tr>
<th>S.NO</th>
<th>Summary of information on interview questions</th>
<th>Code</th>
<th>Conceptual model constructs + additional constructs emerging through the data.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Team processes focus on regularity, coordination of information with partner to gain the benefit of synergy, avoid duplication, and leverage best practices according to guidelines</td>
<td>NRCP-IR; INLR</td>
<td>Information exchange processes; Internationalisation leverage</td>
</tr>
<tr>
<td>2.</td>
<td>Difficulties in electronic modes, volumes of information, inter-organisational learning and dissemination mechanisms-negative partners sought active engagement and joint activities-positive</td>
<td>NRCP-IRAC; INLR</td>
<td>Absorptive capacity; Internationalisation learning</td>
</tr>
<tr>
<td>3.</td>
<td>Contractual provisions and informal discussions</td>
<td>NRCP-IRIM; NRCP-SMI</td>
<td>Incentive mechanisms-+combined approaches</td>
</tr>
<tr>
<td>4.</td>
<td>Complex, volatile, uncertain- competitive environments Inform, engage and share; proper dissemination to inter-organisational leaders and units, interests, influence, compromise, concessions, agreements</td>
<td>NRCP-SM; NRCP-SMI; INLR</td>
<td>Strategic monitoring Internationalisation-learning</td>
</tr>
<tr>
<td>5.</td>
<td>Easy markets-U.S.A, U.K Difficult markets-China, Japan- deviation from constructs-perception that resources would be higher in the case of difficult markets and also the phase of relationship, classifies India as a difficult market and hence perception of risk and uncertainties are different</td>
<td>NRCP-SMS; SMI;SM</td>
<td>Strategic monitoring</td>
</tr>
<tr>
<td>6.</td>
<td>Network partners contribution-share information, advice, experiences, and best</td>
<td>NRCP-SMI</td>
<td>Strategic monitoring-</td>
</tr>
<tr>
<td>Step</td>
<td>Description</td>
<td>Source</td>
<td>Note</td>
</tr>
<tr>
<td>------</td>
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</tr>
<tr>
<td>7.</td>
<td>Consult network partners and work out a solution</td>
<td>NRCP-SMS; SMI</td>
<td>Strategic monitoring-Self and informal</td>
</tr>
<tr>
<td>8.</td>
<td>Management practices differ in different cultures-U.S.A. Australia more certainty but India more volatile, so perception of risk and uncertainty are different</td>
<td>NRSP-CCN</td>
<td>Cross-culture norms</td>
</tr>
<tr>
<td>9.</td>
<td>Values categorised as slightly, moderately to no difference</td>
<td>NRSP-CCV</td>
<td>Cross-culture values</td>
</tr>
<tr>
<td>10.</td>
<td>No difference, due to network partners being multinational organisations with familiarity with Indian business patterns, also international business managers dealing with network partners have studied and or worked in advanced markets</td>
<td>NRSP-CCT</td>
<td>Cross-culture thought styles</td>
</tr>
<tr>
<td>11.</td>
<td>Uncertainty or volatility of Indian market</td>
<td>NRSP-I</td>
<td>Institutional factors</td>
</tr>
<tr>
<td>12.</td>
<td>Negative attitudes about institutional arrangements in India</td>
<td>NRSP-IS</td>
<td>Stereotyping</td>
</tr>
<tr>
<td>13.</td>
<td>Lack of knowledge of company operations, trial partnering arrangements</td>
<td>NRSP-IL</td>
<td>Legitimacy</td>
</tr>
<tr>
<td>14.</td>
<td>No additional investments were required</td>
<td>INP</td>
<td>Investment</td>
</tr>
<tr>
<td>15.</td>
<td>Enhanced image and reputation of company’s operations helping entry into other advanced markets</td>
<td>INLK</td>
<td>Internationalisation-linkage</td>
</tr>
<tr>
<td>16.</td>
<td>Access to financial, operational resources and facilities that could be used for entry into other markets</td>
<td>INLK; INLV</td>
<td>Internationalisation linkage; Internationalisation leverage</td>
</tr>
<tr>
<td>17.</td>
<td>Businesses need to understand the societies they enter</td>
<td>NRSP-CC</td>
<td>Cross culture</td>
</tr>
</tbody>
</table>

Source: E-mail interviews Set-1 and Set-2, clarifications, confirmation of profile

Further Clarification:

What are your thoughts on the extent to which your personal achievements, awards, global recognition in the health technology industry have guided your firm’s network relations with your advanced market partners?
Summary—Salient, interesting and illuminating aspects in this interview sessions

**Information Exchange** - focus on information sharing, inter-organisational dissemination among business units and leaders in network partners, electronic modes and volumes of information, learning and sharing of experiences.

**New insight on constructs** - U.S.A. and U.K. as easy markets whereas India confirmed as volatile market. The founder’s achievements in the field of mobile-health technology services lending credibility and willingness for the advanced market partners to collaborate with Alpha.

**Cross-cultural aspects** - generally recognises the importance of cross-cultural factors as significant to business activities world-wide. The firm does not perceive any challenge in managing network relations due to differences in values, norms, or thought styles.

No additional investments made in adjusting to cultural differences, even though institutional differences are perceived.

**Contact Summary Form: Beta**

**Role of the Participant:** Partner and general manager in Indian parent company, responsible for internationalisation decisions.

Date Coded: 18/12/2013

**Source:** E-mail interviews Set-1 and Set-2, further e-mail clarifications, confirmation of profile

<table>
<thead>
<tr>
<th>S.NO</th>
<th>Summary of information on interview questions</th>
<th>Code</th>
<th>Constructs</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>All communication handled totally by the U.S. arm of the company—although feedback is received daily from the U.S. arm on communication with network partners</td>
<td>NRCP-IR</td>
<td>Information exchange processes</td>
</tr>
<tr>
<td>2.</td>
<td>Difficulties in working with designers because the company was focused on creating a watertight legal contract, to ensure the organisation was indemnified from any design violations. The company was over-cautious as they were still in a start-up phase in their internationalisation activities</td>
<td>NRCP-IRAC; NRSP-I; INLR</td>
<td>Absorptive capacity; Institutional factors; Internationalisation, learning</td>
</tr>
<tr>
<td>3.</td>
<td>Contractual provisions lack of informal mechanisms</td>
<td>NRCP-IRIM;</td>
<td>Incentive</td>
</tr>
<tr>
<td></td>
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</tr>
<tr>
<td><strong>4.</strong></td>
<td>All the monitoring done by the San Francisco office, no contact initiated by the Indian office with any of the network partners, to ensure that communication is from one-point and simple.</td>
<td>NRCP-SM; NRCP-SMI</td>
<td>Strategic monitoring - very structured</td>
</tr>
<tr>
<td><strong>5.</strong></td>
<td>We do import raw material from the U.S. which is then re-exported back to the U.S. Our raw material suppliers have asked us to appoint a separate team or person to handle the technical information required for manufacturing which could be based in India and a separate person to handle the commercial queries (based in U.S.).</td>
<td>NRCP-SMS; SMI; SM; INP</td>
<td>Strategic monitoring - very structured based on network partners requests</td>
</tr>
<tr>
<td><strong>6.</strong></td>
<td>Consult network partners and work out a solution</td>
<td>NRCP-SMI</td>
<td>Strategic monitoring - Informal</td>
</tr>
<tr>
<td><strong>7.</strong></td>
<td>Consult network partners and work out a solution</td>
<td>NRCP-SMS; SMI</td>
<td>Strategic monitoring - self and informal</td>
</tr>
<tr>
<td><strong>8.</strong></td>
<td>Having a legal contract for every small activity has been the single most problematic factor. Different practices for example as below, therefore need to adapt to these practices and expectations. In manufacturing these partners have much better processes and quality standards. Adapting to these standards helps us improve our current processes.</td>
<td>NRSP-CCN</td>
<td>Cross-culture norms (superior practices and processes of network partners)</td>
</tr>
<tr>
<td><strong>9.</strong></td>
<td>Values categorised as extremely different - environmental consciousness-contribution towards society and community-quality standards-extending gifts and favours; moderately different-value of employees, timelines/punctuality, egalitarian society values</td>
<td>NRSP-CCV</td>
<td>Cross-culture values</td>
</tr>
<tr>
<td><strong>10.</strong></td>
<td>Network partner managers’ thinking is different from our managers’ thinking-interpretation of political, economic, social situations; advanced market networks partner managers’ expectations and needs different from business dealings</td>
<td>NRSP-CCT</td>
<td>Cross-culture thought styles</td>
</tr>
<tr>
<td><strong>11.</strong></td>
<td>Lack of knowledge of company’s operations, require assurances on quality standards e.g. international certification, restrictive terms and conditions for the network relationship, regulatory contractual arrangements</td>
<td>NRSP-I</td>
<td>Institutional factors</td>
</tr>
<tr>
<td><strong>12.</strong></td>
<td>Lack of knowledge of your company’s operations, require assurances on quality standards e.g. international certification,</td>
<td>NRSP-</td>
<td>Stereotyping</td>
</tr>
</tbody>
</table>
Further Clarifications:

What inputs do your advanced market network partners have in your network review process?

“Our raw material suppliers have asked us to appoint a separate team or person to handle the technical information required for manufacturing which could be based in India and a separate person to handle the commercial queries (based in U.S.)”

Two clarifications needed here-

1. Do you mean that the network members clearly state what they feel is needed to make the relationship work better and the above is an example of the supplier clearly stating what would work better?

2. What impact does this arrangement have on your costs? How will this arrangement be beneficial to your company?

Summary-Salient, interesting and illuminating aspects of interview sessions

Information Exchange - focus on legal and contractual aspects, regular exchanges, highlights the role of subsidiary organisation located in the U.S.A. to be the predominant one to integrate and co-ordinate network information exchange processes
and the same to be relayed back to the Indian parent organisation; network partners very insistent on contracts for every activity- relations more contractual than social.

**New insight on constructs** - differences in values, values may be classified into two categories-extremely different and moderately different, norms and thought styles different. Contractual relations to avoid legal difficulties. Preference of advanced network partners to interact with Beta in India, through their Indian subsidiary organisations for reasons of institutional voids in India.

**Cross-cultural aspects** - recognises the importance of cross-cultural factors as significant to business activities worldwide. The firm perceives challenges in managing network relations due to differences in values, norms, or thought styles.

Require additional investments in adjusting to cultural differences, cross-cultural and institutional differences are perceived.

Gains in internationalisation in linkage, leverage and learning are perceived.

**Contact Summary Form: Gamma**

**Role of the Participant:** Founder responsible for internationalisation decisions.

Date Coded: 15/01/2014

**Source:** E-mail interviews Set-1 and Set-2, Confirmation of profile

**Markets:** U.S.A, U.K, Australia and Switzerland

<table>
<thead>
<tr>
<th>S.NO</th>
<th>Summary of information on interview questions</th>
<th>Code</th>
<th>Constructs</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Efficient communication, group conference, one-to-one communication with key stakeholders to share uniform understanding</td>
<td>NRCP-IR</td>
<td>Information exchange processes</td>
</tr>
<tr>
<td>2.</td>
<td>Communicating the values and value creation as per internal-external stakeholders</td>
<td>NRCP-IRAC; NRSP-I; INLR</td>
<td>Absorptive capacity; Institutional factors; Internationalisation, learning</td>
</tr>
<tr>
<td>3.</td>
<td>Contractual provisions, Incentives</td>
<td>NRCP-IRIM</td>
<td>Incentive mechanisms</td>
</tr>
<tr>
<td></td>
<td>Documentation of relevant tools for one-to-one discussion with key stakeholders in advanced market and online and social media content analysis</td>
<td>NRCP-SM; NRCP-SMI</td>
<td>Strategic monitoring-tools</td>
</tr>
<tr>
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</tr>
<tr>
<td>4.</td>
<td>1. Strategic plans and goals&lt;br&gt;2. Personal &amp; Professional growth achieved through the association&lt;br&gt;3. Success-Failure ratio&lt;br&gt;4. Futuristic goals, objectives, and milestones to be achieved.</td>
<td>NRCP-SMS; SMI; SM; INP</td>
<td>Strategic monitoring-focused on individual and organisational planning, goals and achievement</td>
</tr>
<tr>
<td>5.</td>
<td>Consult network partners and work out a solution</td>
<td>NRCP-SMI</td>
<td>Strategic monitoring-informal</td>
</tr>
<tr>
<td>6.</td>
<td>1. Consult network partners and work out a solution</td>
<td>NRCP-SMS; SMI</td>
<td>Strategic monitoring-self and informal</td>
</tr>
<tr>
<td>7.</td>
<td>Work on confidentiality agreement with partners, unable to discuss this question. Does not need to present information and conduct discussions in meetings any differently than those in domestic business situations. Network partner is subsidiary business, Network partner has dealt with firm in other markets</td>
<td>NRSP-CCN</td>
<td>Cross-culture norms no difference</td>
</tr>
<tr>
<td>8.</td>
<td>Values categorised as  &lt;br&gt;Somewhat different-environmental consciousness-contribution towards society and community; moderately different-family and kinship value, quality standards, innovation; slightly different-extending gifts and favours; somewhat different-value of employees, timelines/punctuality, no difference-egalitarian society values; slightly different-religious values</td>
<td>NRSP-CCV</td>
<td>Cross-culture values</td>
</tr>
<tr>
<td>9.</td>
<td>Network partner manager’s thinking is different from our manager’s thinking-Interpretation of political, economic, social situations; advanced market network manager’s willingness to share information</td>
<td>NRSP-CCT</td>
<td>Cross-culture thought styles</td>
</tr>
<tr>
<td>10.</td>
<td>Trial partnering arrangements, restrictive terms and conditions for the network relationship, credentials or references from previous customers</td>
<td>NRSP-I</td>
<td>Institutional factors</td>
</tr>
<tr>
<td>11.</td>
<td>Trial partnering arrangements, restrictive terms and conditions for the network relationship, credentials or references from previous customers</td>
<td>NRSP-IS</td>
<td>Stereotyping</td>
</tr>
<tr>
<td></td>
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<td></td>
</tr>
<tr>
<td>13.</td>
<td>Trial partnering arrangements, restrictive terms and conditions for the network relationship, credentials or references from previous customers</td>
<td>NRSP-IL</td>
<td>Legitimacy</td>
</tr>
<tr>
<td>14.</td>
<td>Additional investments were required</td>
<td>INP</td>
<td>Investment</td>
</tr>
<tr>
<td>15.</td>
<td>Stronger relationship with advanced market network partners</td>
<td>INLK</td>
<td>Internationalisation-linkage</td>
</tr>
<tr>
<td>16.</td>
<td>Enhanced image and reputation of your company’s operation helping entry into other advanced markets, access to customers in other markets, joint operations and ease of entry into other advanced markets, knowledge gained about other advanced international markets.</td>
<td>INLK; INLV</td>
<td>Internationalisation, Linkage, Internationalisation, leverage</td>
</tr>
<tr>
<td>17.</td>
<td>Knowledge gained about other advanced international markets.</td>
<td>INLN</td>
<td>Internationalisation, learning</td>
</tr>
<tr>
<td>18.</td>
<td>Benefits of investment made are moderate</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Summary-Salient, interesting and illuminating aspects of interview sessions:

**Information Exchange** - emphasis on uniform understanding through different processes; values and value creation among different partners, tools and electronic internet based processes along with one-to-one contacts and discussion for effective communication. Incentives along with contractual elements.

**New insight on constructs** - comfort levels with both values and norms, differences in thinking are perceived.

A clear focus in strategic monitoring in terms of individual and organisational plans, goals and success rates.

Require additional investments, institutional differences are perceived

Gains in internationalisation in the field of linkage, leverage and learning are perceived
**Contact Summary Form: Delta**

**Role of the Participant:** Founder responsible for internationalisation decisions

**Markets:** U.S.A. and Sweden

Date Coded: 14/2/2014

**Source:** E-mail interviews Set-1 and Set-2, network relations clarification through profile confirmation

<table>
<thead>
<tr>
<th>S.NO</th>
<th>Summary of information on interview questions</th>
<th>Code</th>
<th>Constructs</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Mostly periodic e-mail communications and conference calls.</td>
<td>NRCP-IR</td>
<td>Information exchange processes</td>
</tr>
<tr>
<td>2</td>
<td>Feeling of lack of trust in sharing sensitive information which contains Intellectual Property information. Occasional disconnects due to misplaced understanding of overseas markets.</td>
<td>NRCP-IR; NRSP-I; NRSP-IS; NRSP-IL</td>
<td>Absorptive capacity; Institutional factors stereotyping and legitimacy issues</td>
</tr>
<tr>
<td>3</td>
<td>Informal discussions</td>
<td>NRCP-IRIM; NRCP-SMI</td>
<td>Incentive mechanisms</td>
</tr>
<tr>
<td>4</td>
<td>Informal discussions as of now</td>
<td>NRCP-SM; NRCP-SMI</td>
<td>Strategic monitoring-very uncertain-n新颖ness</td>
</tr>
<tr>
<td>5</td>
<td>Commercials, Market Intelligence about the overseas markets</td>
<td>NRCP-SMS; SMI; SMI</td>
<td>Strategic monitoring</td>
</tr>
<tr>
<td>6</td>
<td>Consult network partners and work out a solution</td>
<td>NRCP-SMI</td>
<td>Strategic monitoring -informal</td>
</tr>
<tr>
<td>7</td>
<td>Consult network partners and work out a solution</td>
<td>NRCP-SMS; SMI</td>
<td>Strategic monitoring -self and informal</td>
</tr>
<tr>
<td>8</td>
<td>Business practice differences are none, Yes, however do feel the need to change the way business meetings are conducted with advanced market network partners as mostly their perceptions about India which are most of the times generalised one and not applicable to us-. Network partner is a multinational organisation with familiarity with the Indian business patterns, Our</td>
<td>NRSP-CCN; NRSP-I; NRSP-IS; NRSP-IL</td>
<td>Cross-culture norms Institutional factors Stereotyping; No legitimacy concerns</td>
</tr>
</tbody>
</table>


<table>
<thead>
<tr>
<th></th>
<th>Values categorised as slightly different-environmental consciousness-contribution towards society and community; family kinship values; quality standards; extending gifts and favours; egalitarian society values; extremely different-religious values; moderately different-value of employees; somewhat different-timelines/punctuality; No difference-innovation</th>
<th>NRSP-CCV</th>
<th>Cross-culture values Not significant</th>
</tr>
</thead>
<tbody>
<tr>
<td>9.</td>
<td>Network partner manager’s thinking is different from our manager’s thinking-interpretation of political, economic, social situations; advanced market networks partner manager’s expectations and needs different from business dealings; willingness to share information</td>
<td>NRSP- CCT</td>
<td>Cross-culture thought styles-significant</td>
</tr>
<tr>
<td>10.</td>
<td>Lack of knowledge of your company’s operations, require assurances on quality standards e.g. international certification, trial partnering arrangements, credentials or references from previous customers, access to other prospective network partners, negative attitudes towards products and services from India, negative attitudes about institutional arrangements in India.</td>
<td>NRSP-I</td>
<td>Institutional factors</td>
</tr>
<tr>
<td>11.</td>
<td>Lack of knowledge of your company’s operations, negative attitudes towards products and services from India, negative attitudes about institutional arrangements in India.</td>
<td>NRSP-IS</td>
<td>Stereotyping</td>
</tr>
<tr>
<td>12.</td>
<td>Require assurances on quality standards e.g. international certification, trial partnering arrangements, credentials or references from previous customers, access to other prospective network partners,.</td>
<td>NRSP-IL</td>
<td>Legitimacy</td>
</tr>
<tr>
<td>13.</td>
<td>Yes, additional investments were made</td>
<td>INP</td>
<td>Investment</td>
</tr>
<tr>
<td>14.</td>
<td>Stronger relationship with advanced market network partners.</td>
<td>INLK</td>
<td>Internationalisation-linkage</td>
</tr>
<tr>
<td>15.</td>
<td>Access to superior technology and innovation and entry into other advanced markets, access to customers in other markets, joint operations and ease of entry into other advanced markets, knowledge gained about other advanced International markets.</td>
<td>INLV</td>
<td>Internationalisation leverage</td>
</tr>
<tr>
<td>16.</td>
<td>Investments made in network adaptation extremely important to the success of internationalisation of the firm.</td>
<td>INLN &amp; INP</td>
<td>Investment and internationalisation impact</td>
</tr>
</tbody>
</table>

Summary-Salient, interesting and illuminating aspects of interview sessions:

**Information Exchange** - lack of trust and misunderstanding by overseas partners over intellectual property issues.
Insight on constructs - confirms all except the cultural values

Investment - Network partner is multinational familiar with Indian business patterns, international business managers’ exposure to advanced markets, and confidence in the founder-personal credibility of the founder- institutional factors prevalent but, familiarity of network partners eliminates the impact on the operations.

Require additional investments very important to the internationalisation success of the company.

Investment in adaptation gains in internationalisation in the field of linkage, leverage and learning are perceived.

Contact Summary Form: Epsilon

Role of the Participant: Founder responsible for internationalisation decisions, Leader of a team responsible for the company’s international activities

Date Coded: 20/02/2014

Markets: U.S.A, Germany and France

Source: E-mail interviews Set-1 and Set-2, further e-mail clarifications

<table>
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<tr>
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<tbody>
<tr>
<td>1.</td>
<td>Electronic, internet based-share point portal</td>
<td>NRCP-IR</td>
<td>Information exchange processes</td>
</tr>
<tr>
<td>2.</td>
<td>Difficulties in confidentiality issues</td>
<td>NRCP-IRAC</td>
<td>Absorptive capacity</td>
</tr>
<tr>
<td>3.</td>
<td>Informal discussions</td>
<td>NRCP-IRIM</td>
<td>Incentive mechanisms</td>
</tr>
<tr>
<td>4.</td>
<td>SWOT-tools and techniques</td>
<td>NRCP-SM; NRCP-SMI</td>
<td>Strategic monitoring- very structured</td>
</tr>
<tr>
<td>5.</td>
<td>Network partners input in review mechanisms –no response</td>
<td>NRCP-SMS; SMI;</td>
<td>Strategic monitoring-very structured</td>
</tr>
<tr>
<td>6.</td>
<td>Consult network partners and work out a solution</td>
<td>NRCP-</td>
<td>Strategic monitoring-</td>
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<tr>
<td></td>
<td></td>
<td>SMI</td>
<td>Informal</td>
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<tr>
<td>7.</td>
<td>Consult network partners and work out a solution</td>
<td>NRCP-SMS; SMI</td>
<td>Strategic monitoring-self and informal</td>
</tr>
<tr>
<td>8.</td>
<td>No difference- Network partner is our subsidiary business</td>
<td>NRSP-CCN</td>
<td>Cross-culture norms Familiarity with network partners</td>
</tr>
<tr>
<td>9.</td>
<td>Values categorised as extremely different- environmental consciousness; religious values; family kinship values; extending gifts and favours- moderately different-contribution towards society and community- quality standards; egalitarian society values; slightly different-value of employees, timelines/punctuality; some-what different-other values</td>
<td>NRSP-CCV</td>
<td>Cross-culture values</td>
</tr>
<tr>
<td>10.</td>
<td>Network partner manager’s thinking is different from our manager’s thinking- advanced market networks partner manager’s expectations and needs different from business dealings; personal effort put in by advanced market managers.</td>
<td>NRSP-CCT</td>
<td>Cross-culture thought styles</td>
</tr>
<tr>
<td>11.</td>
<td>Require assurances on quality standards e.g. international certification, greater financial commitment than partner, negative attitudes towards products and services from India.</td>
<td>NRSP-I</td>
<td>Institutional factors</td>
</tr>
<tr>
<td>12.</td>
<td>Negative attitudes towards products and services from India.</td>
<td>NRSP-IS</td>
<td>Stereotyping</td>
</tr>
<tr>
<td>13.</td>
<td>Require assurances on quality standards e.g. international certification, greater financial commitment than partner.</td>
<td>NRSP-IL</td>
<td>Legitimacy</td>
</tr>
<tr>
<td>14.</td>
<td>Yes additional investments were required.</td>
<td>INP</td>
<td>Investment</td>
</tr>
<tr>
<td>15.</td>
<td>Advanced market network partners sharing information more openly.</td>
<td>INLK</td>
<td>Internationalisation-linkage</td>
</tr>
<tr>
<td>16.</td>
<td>Enhanced image and reputation of your company’s operation helping entry into other advanced markets, access to customers in other markets.</td>
<td>INLV NRSP-IL</td>
<td>Internationalisation leverage Legitimacy</td>
</tr>
<tr>
<td>17.</td>
<td>Investments made by the company towards building relations with network partners very important towards the successful internationalisation of the company.</td>
<td>INLN</td>
<td>Internationalisation learning</td>
</tr>
</tbody>
</table>
Salient, interesting and illuminating aspects in these interview sessions

**Information Exchange** - focus on technological tools of communication, confidentiality issues.

**New insight on constructs** - differences in values, values may be classified into two categories- extremely different and moderately different, norms and thought styles different

**Cross-cultural aspects** - recognises the importance of cross-cultural factors as significant to business activities worldwide. The firm perceives challenges in managing network relations due to differences in values, norms, or thought styles.

Require additional investments to be made.

Institutional issues prevalent

**Contact Summary Form: Zeta**

**Role of the Participant:** Founder responsible for internationalisation decisions, international business manager responsible for more than one major international market.

Date Coded: 20/03/2014

**Markets:** U.S.A, U.K, Asia-Pacific countries-Australia and New Zealand

**Source:** E-mail interviews Set-1 and Set-2, confirmation of profile

<table>
<thead>
<tr>
<th>S.NO</th>
<th>Summary of information on interview questions</th>
<th>Code</th>
<th>Constructs</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Website, LinkedIn, E-mail Xchanges, Telephone/ Conf. Call, Company Services mailers/brochures</td>
<td>NRCP-IR</td>
<td>Information exchange processes</td>
</tr>
<tr>
<td>2.</td>
<td>Difficulties in Language / Culture (sometimes)</td>
<td>NRCP-IRAC; NRSP-CC</td>
<td>Absorptive capacity, Cross cultural factors</td>
</tr>
<tr>
<td></td>
<td>Contractual provisions, incentives, informal discussions, training</td>
<td>NRCP-IRIM; NRCP-SMI</td>
<td>Incentive mechanisms</td>
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<tr>
<td>4.</td>
<td>ROI Growth Client Acquisition Formal techniques</td>
<td>NRCP-SM; NRCP-SMI</td>
<td>Strategic monitoring- very structured</td>
</tr>
<tr>
<td>5.</td>
<td>Suggestions for improvement / service enhancement Their local knowledge Developing local marketing/sales strategy Guidance on pricing and profitability</td>
<td>NRCP-SMS; SMI;SM</td>
<td>Strategic monitoring- support based</td>
</tr>
<tr>
<td>6.</td>
<td>Consult network partners and work out a solution</td>
<td>NRCP-SMI</td>
<td>Strategic monitoring -informal</td>
</tr>
<tr>
<td>7.</td>
<td>Consult network partners and work out a solution</td>
<td>NRCP-SMS; SMI</td>
<td>Strategic monitoring -self and informal</td>
</tr>
<tr>
<td>8.</td>
<td>Yes- business practices are different in advanced markets- adaption to advance technology, more process oriented Network partner is a multinational organisation with familiarity with the Indian business patterns</td>
<td>NRSP-CCN</td>
<td>Cross-culture norms (superior practices and processes of network partners)</td>
</tr>
<tr>
<td>9.</td>
<td>Values categorised as moderately different- environmental consciousness; some-what different- contribution towards society and community; family and kinship values; quality standards; egalitarian values; extremely different-religious values; moderately different-value of employees-extending gifts and favours; slightly different-timelines/punctuality; no difference-innovation.</td>
<td>NRSP-CCV</td>
<td>Cross-culture values</td>
</tr>
<tr>
<td>10.</td>
<td>Network partner manager’s thinking is different from our manager’s thinking-interpretation of political, economic, social situations; advanced market networks partner manager’s expectations and needs different from business dealings.</td>
<td>NRSP-CCT</td>
<td>Cross-culture thought styles</td>
</tr>
<tr>
<td>11.</td>
<td>Lack of knowledge of your company’s operations, credentials or references from previous customers</td>
<td>NRSP-I</td>
<td>Institutional factors</td>
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<tr>
<td><strong>12.</strong></td>
<td>Credentials or references from previous customers</td>
<td>NRSP-IS</td>
<td>Stereotyping</td>
</tr>
<tr>
<td><strong>13.</strong></td>
<td>Lack of knowledge of your company’s operations; enhanced image and reputation of your company’s operation helping entry into other advanced markets, access to customers in other markets</td>
<td>NRSP-IL</td>
<td>Legitimacy</td>
</tr>
<tr>
<td><strong>14.</strong></td>
<td>Yes additional investments were required and mutually successful for internationalisation for both company and network partners.</td>
<td>INP</td>
<td>Investment</td>
</tr>
<tr>
<td><strong>15.</strong></td>
<td>Stronger relationship with advanced market network partners, advanced market network partners sharing information more openly</td>
<td>INLK</td>
<td>Internationalisation-linkage</td>
</tr>
<tr>
<td><strong>16.</strong></td>
<td>Advanced market network partners sharing information more openly</td>
<td>INLV</td>
<td>Internationalisation, leverage</td>
</tr>
<tr>
<td></td>
<td>Access to superior technology and innovation and entry into other advanced markets, enhanced image and reputation of your company’s operation helping entry into other advanced markets, access to customers in other markets, access to financial, operational resources and facilities that could be used for entry into other markets, joint operations and ease of entry into other advanced markets, knowledge gained about other advanced International markets.</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>17.</strong></td>
<td>Knowledge gained about other advanced International markets.</td>
<td>INLN</td>
<td>Internationalisation, learning</td>
</tr>
</tbody>
</table>

Salient, interesting and illuminating aspects in these interview sessions

**Information Exchange** - technological internet based platforms; cultural factors impacting information exchange processes.

**New insight on constructs** - differences in values, values may be classified into two categories- extremely different and moderately different, norms and thought styles different.

**Cross-cultural aspects** - recognises the importance of cross-cultural factors as significant to business activities worldwide. The firm perceives challenges in managing network relations due to differences in values, norms, or thought styles.
Require additional investments to be made in adjusting to cultural differences, cross-cultural and institutional differences are perceived.

Gains in internationalisation in the field of linkage, leverage and learning are perceived.