



Informational Networks, Entrepreneurial Action and Performance

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Abstract. This paper develops a model that incorporates personal and business networks, firm action, and performance based on the existing literature. It explores the links between information and entrepreneurial-type action, and action and performance. Survey data was collected from a sample of 100 manufacturing firms in Thailand. Results show that entrepreneurs value the information they receive from their networks. However, there is little statistical support for tangible links between personal or business networks and entrepreneurial action and performance, or between action and performance.

Keywords: entrepreneurship, personal networks, organizational networks, information linkages, Thailand

In developing economies, international activity is often a driving force since there are normally limits to firms' ability to sustain their growth in their domestic markets. Governments tend to offer tax and other incentives to encourage exporting by entrepreneurs, and the justification for starting a business in a developing country is often related to identifying an international opportunity. In addition, firms in less industrially developed countries know that if they want to grow they will probably have to do so through international operations. This means that the link between entrepreneurial actions and international operations is much more direct in developing economies.

Governments appreciate the activities of these international entrepreneurs, but the activities themselves are not well understood. Disequilibrium approaches to entrepreneurship, where buyers and sellers have varying perceptions about market prices and supply conditions, have been developed by Kirzner (1973, 1979) based on notions developed by Austria School Economists (e.g., Bohm-Bawerk, 1884; Menger, 1871; Shackle, 1979). These approaches assume that equilibrium is a rare condition in most markets, and for most products and services, and that when it occurs the condition is of short duration. They theorize that different people have different perceptions about the prevailing price and supply of an item. The wider this range of individual perceptions, the more room for entrepreneurial behavior, which occurs when they exploits these differences by buying from those with lower