

Internationalisation as a learning process
Rauni Seppola¹
Helsinki School of Economics

Abstract

The growing importance of business network learning and knowledge creation for the internationalisation of firms in small and open economies like Finland has created a greater need for conceptual frameworks to guide empirical research in the field. Despite the greater need, conceptualisations and theory development have been scarce. Internationalisation is the outcome of a complex learning process involving various actors at various levels. Since the process models of internationalisation were presented in 1970 and in the late 70s, many studies have been done on organizational learning. Studies of internationalisation and organizational learning should be integrated and tied together in a new way.

The aim of this study was to build a conceptual framework from a network perspective, describing internationalisation as a learning process for the internationalisation of firms. The model developed in this paper represents the first attempt to integrate the diverse strands of literature and different levels of analyses into a single coherent framework.

By doing so, new perspectives were opened for the studies of internationalisation. Networks represent a complex system, where different interdependencies on different levels exist. Different levels and knowledge should be integrated. At different levels different kinds of learning take place. Connections between these different levels form the platform for accumulating tacit knowledge and learning. The dynamic forms the links between different level learning. This paper proposed that Social Capital, which is gained in business relationships, provides the platform for a learning process.

Key Words: Internationalisation, Organizational Learning, Tacit knowledge, Business relationships, Networks, Social Capital

¹ Corresponding author: Center for International Business Research
Helsinki School of Economics
P.O. Box 1210
00101 Helsinki
Finland
Phone: +358 9 4313 882
Fax: 358 9 43138691
email:seppola@hkkk.fi

Introduction

In the literature on international business, various theories, which try to explain international business, can be identified. According to Johanson and Vahlne (1990), three general research areas have emerged in the literature: Foreign Direct Investment theory, the stage models of internationalisation and a network perspective. Stage Models represent dynamic approaches. The Nordic models, the Helsinki Model¹ and the Uppsala Model², draw on different kinds of time consuming learning, behaviour and growth.

A basic assumption of the Uppsala Model is that lack of knowledge about foreign markets is a major obstacle to international operation, but such knowledge can be acquired (Johanson & Vahlne, 1977). Experiential knowledge is tacit, so its main source is the firm's own activity. This provides that the firms are active. But, who is active? The model does not tell much about the subject; the expression describes in general terms 'firms'. Organizational learning requires individuals. The second deficiency is that the U-M does not tell much about what kind of knowledge is important for internationalisation, except market specific knowledge. Most research in the field, however, focusing on tacit knowledge gained through experience and especially through organization's shared experience, neglects the importance of how the learning process proceeds. The knowledge of the firm is socially embedded and coordination mechanism and routines are heavily influenced by social structures. Organizational learning is basically a social, interactive process. One dimension of learning is learning from the others or learning that others have important knowledge for internationalisation.

The environment is under going fundamental changes. Rapid internationalisation and technical development are affecting the already complex business environment. These changes mean more severe competition, higher technology complexity, new kinds of commerce, such as electronic commerce, economies of scale, the internet, more demanding customers, longer distance to end-customers, thus forcing distribution systems to integrate and increasing interdependence and interconnectedness, especially between SMEs. These developments force companies to develop their learning capabilities. Organizational learning as a social process has not been paid enough

¹ Helsinki Model=HM

² Uppsala Model=UM

attention to. Also, an internationalisation process context demands extra attention. But also a new perspective should be taken towards organizational learning.

Besides learning internationalisation is also an adaptation process. Internationalisation is adapting to an international environment, and is a process wherein a firm adapts its resources to international environments. Learning demands certain favourable conditions for succeeding. Long-lasting business relationships may offer such a climate. The core of organizational capabilities can be developed through the co-operation of individuals. This paper proposes that learning may be understood by investigating the development of business relationships in networks where learning, as a social process, takes place on different levels.

According to these facts internationalisation needs to be defined in a new way: Internationalisation is a learning process that aims to meet the demands and challenges of complex, international business landscapes by developing, maintaining and terminating business relationships.

Organisational learning

The components of human condition are important when organisational learning is discussed: knowing, feeling, and acting. In the following definition the cognitive aspect is emphasized:

Learning is defined as a cognitive change based on the actors' ability to perceive the world in a new way (Argyris 1982; Garvin 1993; Dodgsson 1993 in Nieminen and Törnroos 1997).

This perspective is developed from the early works about decision-making processes in organizations. It is based on the assumption that the firms interpret the reality from their own specificities of cognitive systems. All deliberate action has a cognitive basis, which is reflected by norms, and strategies. Learning is conscious action. (Pawlowsky,2001)

In regard to corporate epistemology, the question arises as to how organizations develop knowledge. Decision-making depends on the structure of the knowledge system, and the capacity of human information processing depends on characteristics of individual cognitive structures. Knowledge systems are both antecedents and results of organizational learning processes. According to Maturana (1987), knowledge is a result of the self-productive process and is

embodied in the individual. This private knowledge can be conveyed to organizational knowledge through interaction. (Pawlowsky, 2001)

The dynamics of a cognitive process may allow also use the cognitive learning perspective at collective levels. This study suggests that the dynamics in networks may be used to help bridge the gap between individual and collective concepts of learning.

One major theoretical cluster in the cognitive and knowledge perspective revolves around the concept of core competence providing competitive advantage for the firm, and knowledge creation and development approaches. The crucial question of knowledge creation lies in mobilizing the tacit knowledge in organizations and transferring it to the organizational and group levels so that collective systems levels can learn. (Pwalowsky, 2001)

Cognitive learning allows one to regard learning not merely as an adaptation to contingencies but also as learning through insight, understanding, and interpretation (Pawlowsky, 2001).

Knowledge as Resource

According to Easton and Araujo (1996) the concept resource is multidimensional and among the resources, the relationships include resources that the firm must invest in. The resource-based view has its roots in the seminal work of Penrose (1959). The main idea is that by possessing resources and combining them with a firm's capabilities, the firms gain a competitive advantage. Company interaction leads to an activation of resources. Combining resources creates capability for firms to act. The companies have different intentions and the parties interpret these intentions. Through these interpretations, the interaction is given meaning by the parties. (Ford, Håkansson and Johanson, 1986)

We live today in a knowledge society. This means that knowledge has become the most valuable asset firms can possess. The knowledge of a firm is socially embedded. It is rooted in firms' coordination mechanism and organizational routines, which in turn are heavily influenced by societal institutions (Lam, 2000).

As noted, market specific in particular, knowledge gained through experience is important for international business. But such knowledge presupposes involvement in activities, and that is time

consuming. It is not clear what kind of experiential knowledge is useful for internationalization. Luostarinen (1979, 1989) identified a certain amount of useful knowledge, but exactly what kind of knowledge is important should be specified and investigated in more precise terms. In order to investigate knowledge deeper, examining the concept of knowledge thoroughly, is required.

Michael Polanyi (1966, p.4) described, “ We can know more than we can tell”. He divided the concept of knowledge into two dimensions: tacit and explicit knowledge. According to Polanyi (1966), "explicit" or codified knowledge refers to knowledge that is transmittable in formal, systematic language. On the other hand, "tacit" knowledge has a personal quality, which makes it hard to formalize and communicate. Tacit knowledge is deeply rooted in action, commitment, and involvement in a specific context. In Polanyi's words, it "indwells" in a comprehensive cognizance of human mind and body. (in Nonaka 1994) In tacit knowledge, there is a strong cognitive element, it is how the actor perceives the world.

Nonaka, Toyama and Konno, (2000) divided knowledge assets into four categories: explicit knowledge as conceptual and systemic knowledge assets and tacit knowledge as experiential and routine knowledge assets. There are two kinds of explicit knowledge that can be transferred easily: conceptual knowledge and systemic knowledge. The former, explicit knowledge is articulated through images, symbols and language.; product concepts, design, brand equity. The latter is e.g. explicitly stated technologies, product specifications, manuals, and documented and packaged information about customers and suppliers. Thus it takes the form in documents, specifications, manuals, database, patents and licenses. (Nonaka, Toyama and Konno, 2000)

Experiential knowledge is in the form of tacit knowledge. Experiential knowledge assets consist of shared tacit knowledge that is built through hands-on experience amongst the members of the organization, and between the members of an organization and its customers, suppliers and affiliated firms. Skill and know-how that are acquired and accumulated by an individual through experiences at work are examples of experiential knowledge assets. (Nonaka et al. 2001)

The ontological dimensions, are individual and collective. (Lam, 2000) The knowledge of the firm resides at the level of individual or it is shared among members of the organization. Collective knowledge is accumulated knowledge of organizations rule, procedures, routines and shared norms. It can be either a stock of data or represent knowledge is a state of flow emerging from

interaction. Collective knowledge resides rather between individuals than within individuals. (Lam, 2000)

On individual level tacit knowledge is embodied, action oriented and on collective level it is embedded knowledge and rooted in an organization's 'communities-of-practice'. The first one is built on practical experiences, whereas the embedded knowledge is in organizations routines and shared norms. It is based on shared beliefs and understanding within an organization, which makes effective communication possible. Embedded knowledge is relation-specific, contextual and dispersed. (Lam 2000) Learning is an interactive, human process and is thus socially constructed.

The epistemological dimension of explicit knowledge is embraced on individual and encoded on collective level forming of conceptual knowledge and systemic knowledge assets and tacit knowledge embodied on individual and embedded on collective level forming experiential and routine knowledge assets. (Lam, 2000, Nonaka et al, 2000)

FIGURE 1: DIFFERENT DIMENSIONS OF KNOWLEDGE

		Ontological dimension	
		Individual	collective
Epistemological dimension	explicit	Embrained knowledge	Encoded knowledge
	tacit	Embodied knowledge	Embedded knowledge

Source: Lam 2000

Explicit knowledge is not attached to individuals as tight as the tacit knowledge. Tacit knowledge is personal and contextual. However, according to Nonaka and Takeuchi (1995) new knowledge is generated through the dynamic interaction and combination of these two types. New knowledge is based on existing knowledge; it is acquired or created. Networks provide firms with unique learning opportunities of bringing together firms with different skills and knowledge. New knowledge is a source of innovation and change.

Organisational Modes

This paper proposes that there is an interactive relationship between organizational learning and organizational modes. One major conclusion is that the extent to which learning takes place seems to be highly related the existence of connections between relationships.

In the network approach, agents of learning are actors at all levels, boundaries are more or less blur, and learning is advanced learning. From a network perspective, learning means both intra and especially interorganizational learning as a cognitive, social process and linking knowledge with different levels of business networks. There are different kinds of knowledge that exist on different levels of networks. It is important to integrate the learning activities with different levels of networks, as dynamic relationships exist between individuals and collective learning. The

cumulative, interactive nature of learning is a basic feature of networks. There are two main levels: relationships and network. The two units, dyad and network are important to understanding of network dynamics. Change always emerges at the levels of dyads (Halinen et al. 1999). The dyad is important, as it transmits and transforms a network change. Change in a dyad may be confined as the change remains within a dyad, but as soon as a change also influence some other business relationships, it is called connected change. (Halinen, Salmi and Havila,1999)

Also through interaction with other companies, the resources are mobilized and strategy implemented (Ford, et al. 1986). So every interaction is very important, from the point of view of capability development and strategy. Interaction enables the actors to learn from each other. (Ford et al. 1986)

When two actors perceive their activities as being interdependent, they are inclined to start an exchange with each other. When exchanging, they learn about each other. When exchanging, they learn about other's capabilities and needs. As they learn, they utilize and strengthen the interdependencies of their activities. This leads to a circular causality between activity interdependencies and exchange relations . Non-actors are acting in isolation, but external factors are affecting their activities. (Ford et al.)

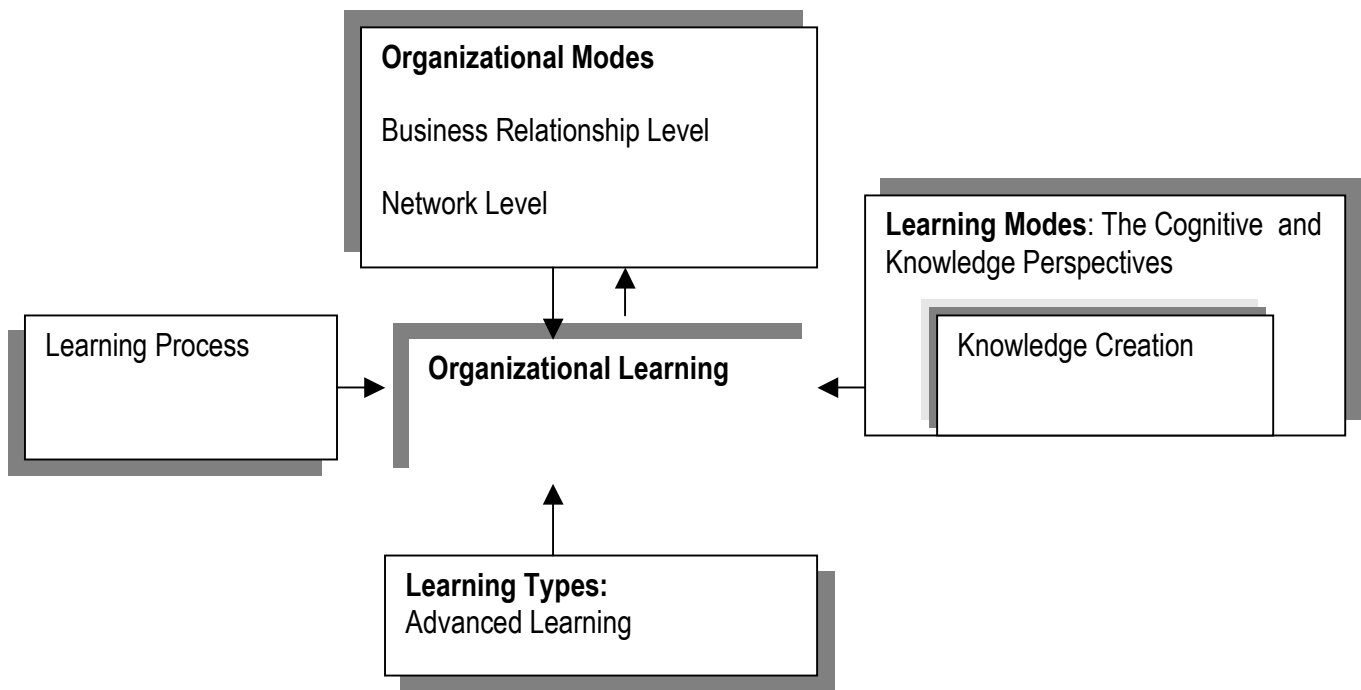
In networks, the actors invest time and money to build, adapt, develop, understand, relate and combine different human and physical resources (Håkansson, and Ford, 1999). The companies are mutually dependent and interconnected regarding all decisions; changes are made and actions perform within the structure of a network, and they influence what can be done and the way that it can be done (ibid.).

Relationships evolve in a dynamic interaction-exchange, through processes and adaptation processes, during which the companies learn about each other, develop mutual orientation, trust and commitment (Johanson and Mattsson, 1987). The interacting partners learn how to behave with each another. In interactions, so called social capital is created . The atmosphere in which the relationships are created is a product of the relationship itself.

Trust is related to risk, the greater the risk is, the higher the confidence threshold required to engage in trusting action. The social aspects of trust are defined in terms of social property and implications of the absence of trust. "Trust is a reflection of interwoven personal relationships that develop

incrementally over time. Trust is a characteristic of relationships. Ineffective firm interactions and a lack of cooperation are outcomes of lack of trust". (Inkpen and Currall,1998) Building trust takes time and must be based on personal experience. (Håkansson H, 1982)

FIGURE 2: A CONCEPTUAL MODEL OF ORGANIZATIONAL LEARNING



Source: Adapted Rauni Seppola, 2002, Pawlowsky 2001

The cognitive and knowledge perspectives of organizational learning include variety of approaches emphasizing different aspects. It includes also knowledge perspectives where the knowledge creation is important instead of knowledge exploitation. The interaction between tacit and explicit knowledge is utmost important for knowledge creation.

According to Nonaka (2002), internationalization is acquiring tacit knowledge in practise. Tacit knowledge creation involves socialisation, from tacit to tacit, externalisation, from tacit to explicit and internalisation from explicit to tacit. Socialisation is the process of converting new tacit knowledge through shared experiences. Knowledge creation involves the SECI process, *ba* as shared context, and knowledge assets. (Nonaka et al. 2000) It is human by nature, it is created in interaction by human beings at different levels. The tacit nature of knowledge explains its social

character. There is dynamic relationship between individual and collective level learning. Collective learning is cumulative, social process. On the individual level tacit knowledge is embodied and at the collective level knowledge is embedded. (Lam, 2000)

Especially when speaking about internationalization action learning has been emphasized., but the focus must be on advanced learning as it is broader consisting of adaptive double-loop learning, anticipatory, deuterio learning and action learning. Learning is a process involving several steps.

Strategic action

Strategic actions are usually characterized as efforts by actors to influence their relationship with their environment. In the network approach, this means that strategic actions are efforts by actors to influence (change or preserve) their position(s) in network(s). Strategic objectives are defined in terms of network positions. The strategic action may also aim to influence the actor's perceived mediated connections between relationships, such as whether and to what extent actors view relationships as complementary or competing. This is a matter of influencing their "network theories" Johanson J and Mattsson L-G, 1992).

Network positions can be used as an analytical tool for strategic action in the networks. By using a position concept, one is able to see how a firm is positioned in the network or rather embedded in the environment. The use of the position concept both as a means and an end in a strategic action, makes it possible to give such an action meaning in relation to the conditions for structural change in industrial networks. This is another way of saying that individual actor's opportunities and constraint depend on the network and on the results of earlier strategic action. Thus, the notions of embeddedness and of investments in networks are given a strategic meaning (cf. Pfeffer 1987 and Johanson and Mattsson (1985).

Positions are a consequence of the cumulative nature of the use of resources to establish, maintain and develop exchange relationships. The position of an actor also connects the separate, individual relationships with each other. The position characterizes an actor's link to the environment, and is therefore of strategic significance. The positions of all the actors in the network are also a major characteristic of the environment in which the actor is embedded. Furthermore, the position strongly influences the basis for an actor's development of exchange in the future, i.e. it forms the base for the actor's strategic actions. (Mattsson 1984)

Mattsson (1984) outlines four characteristics of position. The first is function, which comprises the main activities the firm is supposed to undertake. Then comes the identity, third the relative importance of the firm in its net, measurement by size or other correlates of power, and fourth the positions that may be analysed at different levels of analysis, micro and macro positions (Johanson and Mattsson, 1988).

Micro positions are characterized by:

- 1) The role of the firm in relation to the (other) firm(s), 2) its importance to the other firm, and 3) the strength of the relationship with the other firm

Macro positions are characterized by:

- 1) The identity of the other firms with which the firm has direct relationships and indirect relationships in the network 2) the role of the firm in the network and 3) the importance of the firm in the network and 4) the strength of the relationships with other firms.

The concept of the representational role is also crucial. The representational role means that in themselves and through their actions, business actors – firms or individuals - represent their country, industry, firm or department in the eyes of other network members at a specific point of time (Halinen and Törnroos, 1998). There are two dynamic aspects that imply the dynamic character of the representational role. Firstly, business actors are bearers of knowledge and contacts. Secondly, actors also possess a future dimension in that they have intentions and strategies concerning their future, which implies potential embeddedness in new both vertical and horizontal contexts. They generate an important force for change in networks (Halinen et al 1996).

The two concepts, role and position, can be said to be closely linked, also because no role exists “without a paired reciprocal role which is a part of a different position” (Bates in Andersen P et al, 1994). The concept of position can be said to be more oriented toward the past that of role toward the future (Parsons 1951 in Andersen P et al.).

An actor's role behaviour within is dependent upon intentions, perceptions and expectations with regard to both one's own and other' actors' positions and roles (Andersen P et al. 1994). Therefore, position describes history, and role expectations the future.

According to Manor and Tasi (2001) different network positions represent opportunities for a unit to access new knowledge that is critical to developing new products or innovative ideas. As the knowledge is spread unevenly in networks, it is important to occupy the strategically central position in the networks. A unit's external knowledge access is characterized by its network position. By occupying a central network position, a unit is likely to access useful knowledge from other units (ibid.). Network approach sees knowledge development about markets as an important aspect of the exchange processes that cannot be separated from the firm's position in the network. (Mattsson, 1985)

One may draw a conclusion that the more connections a relationship has, the greater are the possibilities to learn. As noted, the companies invest in resources and, if the company has invested in relationships the investment is more likely to be regarded as profitable. The better position the firm has, the better the possibilities to learn. As a focal firm transmits, creates, develops and combines knowledge, the more relationship ties there are the more there is learning.

Social Capital

As learning and knowledge are associated closely with human beings and action, learning is a social process. Thus, Social Capital is an important concept having a positive impact on learning.

The concept of Social Capital is based on the assumption that core organizational capabilities can be developed through cooperative individuals. This assumption leads to the interpretation of organizations as social communities. (Conner and Prahalad 1996 in Reinhardt, Bornemann, Pawlowsky and Schneider)

In interactions as a social process, so-called Social Capital is gained. The World Bank (in Cohen and Prusak, 2001) defines Social Capital as " the norms and social relations embedded in social structure that enable people to coordinate action to achieve the desired goals."

According to Nahapiet and Ghoshal (1998), social capital can be defined as 'the sum of the actual and potential resources embedded within, available through, and derived from the network of relationships possessed by an individual or social unit ((p.234) in Reinhardt, Bornemann, Pawlowsky and Schneider 2001). The Social Capital Framework is conceptualised as three dimensions: the structural, relational and cognitive dimension. (Granovetter 1992; Nahapiet and Ghoshal 1998; Putman 1995) The structural dimension is an overall pattern of connections between actors. Relational dimension is the history of interactions of people who constitute the network. They propose such concepts as: trust and trustworthiness (Putman 1995), norms and sanctions (Coleman 1990), expectations and identity and identification (Burt 1992). Lastly, the cognitive dimension includes shared representations, interpretations, and systems of meaning among parties. Concepts such as “alignment” or “shared mental models”, have been recognized within strategic management. (Reinhardt et al.)

Internationalization organisational learning process and accumulating knowledge assets. Knowledge creation is human by nature, it is created in interaction by human beings at different levels.

The place where knowledge is created is *Ba*, a shared context between two individuals. Knowledge creation is sensitive to context. The research should pay attention to the sensitiveness of learning to the context. The context is used to refer to the entities that relates to the organization.

The enacted environment view assumes that organization and environment are created together, enacted, through the social interaction processes of key organizational participants. Business organizations often operate in a context in which their behaviour is conditioned by a limited number of counterparts, each of which is unique and engaged in pursuing its own goal. In relation to these, an organization engages in continuous interactions that constitute a framework for exchange processes. Relationships make it possible to access and exploit the resources of other parties and to link the parties' activities together. The distinctive capabilities of an organization are developed through its interactions in the relationships that it maintains with other parties. An organization's performance is conditioned by the totality of the network as a context, i.e. even by interdependencies among third parties.

Framework for internationalisation as a learning process

The aim of this paper is to propose a model of internationalization as a learning process. The framework includes three building blocks: organisational learning process, the internationalization process and Social Capital. Social Capital is gained in business relationships.

One broad proposition is put forward and it is defined through three hypotheses.

First, this paper proposes that by using cognitive and knowledge perspective one could examine organizational learning in networks. In network at different levels different kinds of learning takes place. The main aspects emphasized in this study are: the existence of multilevel patterns of exchange surrounding every interaction and the interconnectedness of different levels. Also, the features of different embeddedness and dynamics are central concepts, which are relevant for the learning process.

Structural dimension

According to Manor and Tasi (2001) different network positions represent opportunities for a unit to access new knowledge that is critical to developing new products or innovative ideas. As the knowledge is spread unevenly in networks, it is important to occupy the strategically central position in the networks. A unit's external knowledge access is characterized by its network position. By occupying a central network position, a unit is likely to access useful knowledge from other units. (ibid.)

Relational Dimension

Social Capital depends on trust (Cohen and Prusak). Different aspects of relationships may be distinguished. Social interactions involves such aspects as appeal, trust, acquaintance, respect, congeniality, pleasure, interfirm cohesion and attraction. (Holmlund M, 1997) Mutuality refers to what extent the actors share mutual goals or common interests. According to Ford et al. (1986), mutuality is a mirror of trust. Trust is based on personal experience. So trust is closely related to tacitness, which can be gained only by experience. As trust takes time to develop there are reasons to believe that a long term relationship includes trust. As a consequence of long-term relationships, the actors have had time to learn from each other. They possess knowledge about each other.

Cognitive Dimension

An actor's role behaviour within is dependent upon intentions, perceptions, and expectations with regard to both one's own and other's actors' positions and roles (Andersen P et al. 1994).

Role can be seen as the dynamic aspect of the position (Linton 1936 in Andersen P, Anderson H, Halinen A and Havila V, 1994) It involves "function, adaptation, process" ((Levinson 1959 in Andersen et al.1994) or acting. This usually means someone is said to occupy or have a position, but to perform the role or roles that come with the position (Levinson 1959). Thus, the role is what the focal actor does in a relation with other actors (Parsons 1951 in Andersen et al.). Each position can be seen to involve an array of roles depending on the actual counterpart (Merton 1957 in Andersen et al.). The concept of position can be said to be more oriented toward the past, that of a role toward the future in (Andersen P et al. (Parsons 1951)). The perceived cognitive change, according to our definition, is learning. It increases the actors' ability to perceive the world in a new way. Therefore, position describes the history and role expectations the future.

Internationalization is dependent on a learning process, which in turn is dependent on Social Capital. That is the main argument of this study. Internationalization takes place through learning and accumulating tacit knowledge. In the business relationships and networks different kinds of learning take place on different levels. Dynamics in networks is accelerator of change. In the internationalization process, different interactions take place; as a result of these interactions business relationships are developed. These business relationships are part of a wider network. The main proposition is:

Proposition: Internationalisation is dependent on organisational learning process, increased knowledge assets and Social Capital.

Internationalisation = f (organizational learning, increased knowledge assets, Social Capital)

Social Capital resides in business relationships and networks. The basic argument is that the firms are interacting in order to get access to resources; the most important resource is knowledge. Resources are heterogeneous and actors control resources. Thus it is a source of interdependencies.

The Social Capital Framework is conceptualised as three dimensions: Structural, Relational and Cognitive dimensions. The equivalent concepts are found in the network approach, as discussed earlier. They are combined into a proposed framework. Social Capital is the function of structural, relational and cognitive dimensions.

Social Capital in relationships/ networks=f (position, trust, role, context)

This proposition is defined through three hypotheses:

Hypothesis 1: Central position increases learning.

Central position is based on structural dimension. The central position of a firm is positively related to learning. Arguments for this are that network positions represent opportunities to get access to new knowledge, as the knowledge is spread unevenly in networks. As a dyad transmits, creates, develops and combines knowledge the more there are relationships, the more ties exist, and thus there is more learning.

A unit's external knowledge access is characterized by its network position. By occupying a central network position, a unit is likely to access useful knowledge from other units (Manor and Tasi, 2001). A good position reflects a central position in international networks.

Hypothesis 2: The degree of mutual trust between actors affects organizational learning.

Trust is based on relational dimension. The degree of mutual trust between actors is positively related to learning. Arguments for this are that trust is developed in a long-term process and is based on personal experience. During this process the actors accumulate tacit knowledge about each other, i.e. they learn. Trust is a relationship's characteristic. Trust is a reflection of interwoven personal relationships that develop incrementally over time (Inkpen and Curral, 1998).

Hypothesis 3: Positive expectation for future increases learning.

Role represents cognitive dimension. Having a role assumes having a positive attitude, which accelerates learning.

An actor's role behaviour within is dependent upon intentions, perceptions and expectations with regard to both one's own and other actors' positions and roles (Andersen P et al. 1994). Therefore position describes the history and role the expectations for the future. The role represents the way the focal firm behaves in relation to others. It is directed towards the future. The change in role is a reflection of change and is a result of learning.

Organizational learning takes place in different contexts.

Organizational learning through business relationships= f (Social Capital, relationship context)

Collective learning (Organizational learning through networks) = f (Social Capital, network context)

FIGURE 3: FRAMEWORK FOR INTERNATIONALISATION AS A LEARNING PROCESS

