Networks and Organisational Learning among Irish Software Firms

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Abstract: Several authors have examined networks as they have been applied to SMEs. This research examines how Irish software firms use networks as a form of strategic alliance to achieve common objectives and in particular for organisational learning.

Networks have many bases on which superior performance and profitability may be built. However, networks are not homogeneous. Heracleous & Murray (2001) have developed network typologies based on the dimensions of interdependence and durability, not only for classification purposes, but also to orient debates regarding the nature, potential motivations for and consequences of networks.

To begin the research process, exploratory qualitative research was conducted with Irish software SMEs participating in various networks. This qualitative research took the form of unstructured in-depth interviews with senior executives in venture capital firms and other influencers within the industry (e.g. business angels, government agencies) to examine their role in establishing and facilitating network structures. The findings from these interviews were used for the basis of semi-structured interviews with senior executives of software SMEs to explore the benefits and limitations to networks.

The interview data indicate that Irish software firms used networks in a variety of contexts and recognised their potential value in facilitating a start-up's success. The benefits accrued from network participation were reputational benefits by association, learning and informational advantages, as well as shared resources. Different types of networks were sought at distinct stages in a start-up's evolution and thus provide initial support for the developmental progression of networks. This progression of network participation makes an interesting proposition for testing in applying and extending the Hercacleous & Murray (2001) framework and merits further research.

The next stage of the research is to conduct a survey with the members of a software network, so as to learn more about the nature of networks. The co-operation of the Information Technology Association of Galway (ITAG) has been secured and a pilot questionnaire has been developed and tested. The actual survey will be conducted in March 2003.