# IMPORTANCE OF NETWORKING BEHAVIORS AND NETWORK RESOURCES TO ACHIEVE SUSTAINABLE COMPETITIVE ADVANTAGE OF SMES IN MYANMAR (YANGON)

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ABSTRACT: In the highly competitive environment, the sustainability of SMEs is one of the most important factors to the development of country economy . Therefore, SMEs are now finding the ways to survive and achieve sustainable competitive advantage by exploiting resources and network according to the resource-based view theory (RBV). In the resource acquiring process, networking is the main channel for the firms which require resources from external environment and networking behaviors of top management influence the organization networking effectiveness. In this research, the relationship between owner-managers' networking behaviors and network resources, and network resources and sustainable competitive advantage of SMEs in Myanmar (Yangon) are examined. Differences among the types of SMEs (manufacturing, trade and service) to acquire network resources and achieve sustainable competitive advantage are also observed. **Purpose:** The main purpose of this paper is to identify the importance of networking behaviors of owner-managers and network resources in attaining sustainable competitive advantage of SMEs in Myanmar. Design and Methodology: This study applied multiple regression, simple linear regression and One-way ANOVA to analyze the data of 310 SMEs in Yangon. By using judgmental sampling, quota sampling and convenient sampling from manufacturing, trading and service sectors are surveyed. Findings: According to the direct relationship between networking behaviors (proactiveness, commitment, strategy and openness) and network resources, it is found that three of four hypotheses are significant at 0.95 confident intervals with R square of 0.65. For the direct relation of network resources to sustainable competitive advantage, it is significantly related with the p value less than 0.5 and R square of 0.1. **Research Limitation / Implications:** Not all SMEs are registered and only 55% of SMEs are registered in the data base of the study. Thus the outcome might not be generalizable enough for all SME s in Yangon. Practical **Implications:** SME owner-managers can realize effective networking behaviors, networking channel to acquire resources and sustain their competitive advantage by exploiting these network resources. Moreover, SMEs can overcome resource-deficit nature by networking and maintain employment rate and create jobs by achieving sustainable competitive advantage. Originality / Value: The paper provides the importance of networking, network channels and resources in attaining sustainable competitive advantage of SMEs.

Keywords: Networking behaviors, network resources, sustainable competitive advantage, SME

# Introduction

Nowadays, SME sector acts as a

<sup>1</sup>Ph.D., Candidate, Martin De Tours School of Management and Economics, Assumption University, Bangkok, Thailand <sup>2</sup>Associate Professor, National Management Degree College, Yangon, Myanmar Assistant Professor, Martin De Tours School of Management and Economics, Assumption University, Bangkok, Thailand significant segment which supports country's economic growth, contributes significant percentage to GDP and primary income source as well as an origin for entrepreneurs and a provider for employment (OECD, 2017). Increasing competitions among the firms, inward FDIs of large firms, and resource deficiency of SMEs are the main problem for SMEs today. As SMEs occupies more than 99.4% of the country business (Amine, 2015) and play in the major role for the development of an economy, SMEs need to be survived and attained sustainable competitive advantage. Survival of SMEs constitute a significant concern in the economic development of the countries all over the world. developing countries, SMEs are accepted as the pillar of economic growth and they contribute significantly to the country's GDP by providing job opportunities, alleviating poverty and generating income (ESCAP, 2012). More than 99 percent of Asian enterprises are SMEs with 99.76% and in Myanmar 126,237 registered **SMEs** represent 99.4% of Myanmar enterprises across the country (Amine. 2015). Therefore, the development of small and medium-sized enterprises (SMEs) is an contributor essential to Myanmar's economic development and an effective mechanism in achieving socio-economic growth (Han & Supinit, 2016). Therefore, sustainability of SMEs and achieving competitive advantage are crucial for country's economy. In order competitive and sustainable locally and globally, SMEs must deploy not only its resources but also knowledge, capabilities and the value-added processes. A firm requires competitive advantages to be succeed in business performance and firms can achieve their competitive advantages from resources when their resource is VRIO (valuable, rare, inimitable and organize to create value) (Ovidijus, 2013; Barney J., 1991).

According to the resource-based approach, there are tangible and intangible resources which influence the firm's competitive advantage (Wernerfelt, 1984). addition. the decision maker's demographic characteristics such as age, gender and education have effect and impact on firm's competitive advantage (Lenidou, 1998). Thus, the owner managers'

characteristics and behavior have impact on SMEs' success and performance as owners are main influencer and director of small firms. Thus, this research analyzes the relationship of owner-managers networking behaviors on network resources sustainable competitive advantage of SMEs in Myanmar (Yangon region). The study aims to find out the relationships between owner-managers' networking behavior (Proactiveness, Commitment, Strategy and Openness) and network resources and network resources and sustainable competitive advantage of SMEs. Thus research questions are as follows:

- 1. Is there a significant relationship between networking behavior (proactive ness, commitment, strategy, openness) of owner-managers and network resources?
- 2. Is there a significant relationship between networking openness (personal network, business network, institutional network, social media network) of owner-managers and network resources?
- 3. Is there a significant relationship between network Resources and sustainable competitive advantage?
- 4. Are there mean differences among 3 types of SMEs (manufacturing, trading, and service) in acquiring network resources?
- 5. Are there mean differences among 3 types of SMEs (manufacturing, trading, and service) in achieving sustainability of competitive advantage?

The following sections discuss the theoretical development of the study.

# **Theoretical Development of the Study**

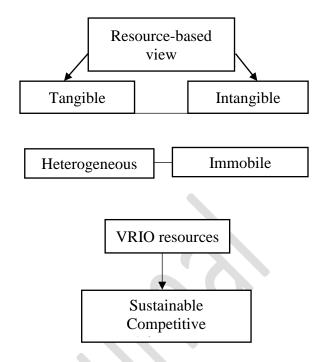
In this study, conceptual framework is developed based on (1) Resource-Based View (2) Resource dependency theory (3)

Social Network theory and (4) Upper echelons theory which can explain the relationship of dependent variables and independent variables.

#### **Resource-Based View Theory (RBV)**

Above all of the theories, Resource-Based View (RBV) theory was mainly used in this research. The importance of firmspecific resources was discovered as earliest by the economists Chamberlin and Robinson in 1930s (Chamberlin Robinson, 1933) which was consequently developed (Penrose, 1959). by resource-based view is the intra-firm resources which generate superior values of sustainable competitive return and advantage for the firm when the resources can create value, costly to imitable, rare and organize to capture value strategically (Wernerfelt; 1984, Ovidijus; 2013). resources must be heterogeneous and immobile and VIRO attribute to become the competitive resource for advantage Lately, Zaridis (2014) (Ovidijus, 2013). added that firms' competitiveness depends on its resources that have the value which is durable, rare, and costly to imitate and substitute and differentiate from its rivals. The Resource-based View (RBV) theory is seen as inside-out process of firm resource to competitive advantage by strategy formulation to capture the maximum of value in a long-term sustainable way (Robert, 1991).

The following figure described how to achieve sustainable competitive advantage from the Resource-based view of firms.



**Figure: 1** Resource-based views of the firm Source: (Jurevicius, 2013)

The resources that derive sustainable competitive advantage can be classified into two: tangible and intangible resources (Barney J., 1991). The influential resource of competitive advantage has been stated as financial, physical, organizational, human and intangible resources (Barney J. , 1991). Later, Dollinger (1995) occurred new categories of **RBV** technological, social and reputational. In the same vein, Dess, Lumpkin, & Eisner (2007) also stated that tangible assets are and technological financial, physical whereas intangible assets are human, innovation and creativity, and reputation. Tangible assets are the fixed and current assets of an organization which includes a fixed long-run capacity (Wernerfelt, 1984). It includes factory, equipment, land, technology, and databases. The interesting point of this study is how much the existing intangible asset such as owner-manager's networking behavior contributes acquiring resources or assets of the firm because tangible assets are scarce to occupy in SMEs. According to Cao, Berkeley, & Finlay (2014), intangible resources and capabilities can build the characteristics of competitive advantage. When the resources are valuable, rare, inimitable and non- substitutable (VRIN), later, valuable, rare, inimitable and organized to capture value (VRIO), competitive advantage will be sustained (Barney J., 1991). Therefore, in this research, the area of focus is ownermanager's networking behavior (existing intangible asset), network resources (outsourcing and assets) sustainable competitive advantage of SMEs in Yangon.

# **Upper Echelons Theory**

The theory was initially presented by (Hambrick & Mason, 1984), observed about CEO discretion and organization performance. The observation of upper echelons theory is that senior manager's experiences, values, and personal characteristics are profoundly influential on response to problems and their interpretations of the situations. The principal statement of upper echelons theory management's is that top experiences, personalities and values significantly influence their understanding and solving the of the situations they face and that affect to organization (Hambrick, 2007) Top management act on the situation according to their experiences, values and personal characteristics. Upper echelons theory proposes reliable expectations of organizational outcomes with the relationship to the managerial discretion of CEO. If the discretion was a great deal, then the performance of the firm reflected by the strategy that comes from managerial (Hamel & Gary, 1990). characteristics Therefore, Upper echelon theory supports strengthening the research as owner-manager relationship between abilities and organization performance (Hambrick, 2007).

# **Resource Dependence Theory**

Resource dependence theory (Pfeffer & Salancik, 1978) proposes that businesses are competent to attempt managing their important resource providers and their dependencies on resource providers through strategies which adapt with the control of the resource providers that have over the businesses. There are two methods for managing dependencies: 1) businesses themselves can acquire critical resources for lessening their dependencies upon others, and businesses can acquire control of resources that other firm's necessity, so increasing other firms' dependence upon the local business. The resource providers may be suppliers, competitors, creditors, or any other entity in the external environment of business. Fundamentally that businesses are established network relationships with other businesses to control and acquire critical resources. Based on resource dependency theory, networking has the significant relationship with firm performance (Azzam & Ayed, 2012) and strategic alliance (Gulati R., 1998). According to resource dependency theory, networking has the effect on the success of the business which is the competitive advantage of the firm.

# **Social Network Theory**

The concept of social network theory is that "any set of social relationships is embedded within a larger structural context that precludes or makes various possible kinds of social contact" (Ibarra, 1995). The social network concept can explain the interaction of between two identities and existing total connection in an individual network. Thereby, the social network is a set of individual nodes linked by a set of social relationships with a specific type (Edward, Joseph, & Peter, 1978). These relationships can represent

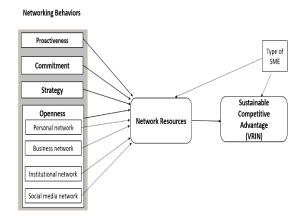
corporation as any form of social behavior and help to achieve competitive advantage (Krause, Croft, & James, 2007). According to social network theory, networks that connect with social groups affect firm performance and outcomes (Burt, 1992). By this means, distributing information by linking people in the different group can attain the new opportunities (Granovetter, 1973). Conventionally, social network been theory has concerned to entrepreneurial organizations in two ways which are (1) to access the resource from entrepreneur's social networks which do not exist internally and (2) to do the economic exchange by identifying that relational network (Jack & Anderson, 2002).

# **Conceptual Framework**

Owner-managers **SMEs** in are influencer of their performance because they are the manager, founder, and strategic leader of their firms. As the previous literature review, the characteristics of ownermanagerial manager become reflected in strategy and performance of the firm. Owner-manager abilities strengthen and relationship of organization performance (Hambrick, 2007). Thus, in this section, owner-managers networking behaviors tested on acquiring network resources to know how they and whether they have the significant impact or not. As a next step, acquired network resources used as an independent variable and sustainable competitive advantage will be used as dependent variable to examine in this study.

The conceptual framework in this study is constructed based on the previous review of the literatures which is related to top management behavior, networking, resources and competitive advantage by using resource-based view theory (Barney, 1991). The concept of the study is to find the relationship between owner-managers

networking behaviors and acquiring network resources, and network resources to the sustainable competitive advantage of SMEs in Myanmar (Yangon region). Building the right skills and abilities for networking and choosing right channel openness to acquire network resources is very important for SMEs which resource scarce in nature. By using the ownermanager's abilities in networking, SMEs need to build the relationship of personal business network, networks, institutional network. From these networks, SMEs may acquire both tangible and intangible resources from the external business environment which may lead to the sustainable competitive advantage of SMEs. The previous researchers have found the relationship between social media and networking, social media and marketing, social media and brand But, there is very limited building. relationship for social media and firm resources. In this research, the relationship between social media networking and acquire network resources will be analyzed by researcher as contribution. Thus, the conceptual framework is derived as shown in Figure 2.



**Figure 2** Conceptual framework **Source:** Researcher developed for this study

To relationship test the of networking behaviors on acquiring of firm's external resources towards sustainable competitive advantage, networking behaviors assumed independent variables for acquiring external resources. External resources can be assumed as the independent variable for the sustainable competitive advantage which is the dependent variable. Based on the conceptual framework, networking behavior construct consists proactiveness, commitment, strategy and openness. Networking channel openness constructs consist of personal network, business network, institutional network and social media network.

The first variable that influences network resources is proactiveness which is behavior of owner-managers. the the action of Proactiveness is entrepreneur who anticipation of future events and involves taking initiative anticipating and exploiting opportunities and creating or participating in emerging markets. In the relationshipbuilding process, proactiveness initiate the building of relationship building and finding resources from networking (Tang, 2011). The second variable is commitment and Larson (1992) suggested that moral obligation and commitment of actors were required to achieve effective control and coordination in the course of the network development process. The coordinated networks are facilitated, the more efficient resource has flowed and a strong commitment to participate in interactions that strengthen relationships and commonalities was critical (Huggins R. , 2000). The next variable to find the relationship with resources acquired from networking is strategy. To avoid the resourcedeficient network and unproductive networking, SMEs should develop networking as a capability of firms

and conduct as a strategic activity (Zaheer & Bell, 2005). Openness of complementary network is require to fulfil different business functions (Oviatt & McDougall, 2005) and The person with large set of network acquire more information about business, market, goods and services, sources of capital, potential investors, technology know-how, skills and knowledge than small set of network ties (Jin & Jung, 2016). Thus, the above findings lead to the following hypothesis 1:

Hypothesis 1: Proactiveness (H1a), Commitment (H1b), (Strategy H1c) and Openness (H1d) have significant impact on acquiring of Network Resource

Personal networks are very crucial in SME because key decision maker is the critical role in SME and his or her personal networks impact the business success when the ties are strong as ethnic ties, language ties and colonial ties (Byoungho & Sojin, 2016). The informal personal relations formed through family, friend, marriage, classmates, and living experiences (Zhao & Hsu, 2017). SMEs owners extend their personal network to build the relationship with other resource providers. The personal network is highly used in start-up business to acquire external resources. Business networks provide SMEs with access to resources (Byoungho & Sojin, 2016). Small companies can benefit from managers participation in a formal business network by gaining more knowledge, getting access to resources, gaining knowledge, create alliances and create opportunities to internationalize (Fuller-Love & Thomas, 2004; Clarke, 2006). Institutional networks support to focus on market opportunity and resources connection with other by organizations. Businesses establish network relationships with businesses that control critical resources (Pfeffer & Salancik, 1978)., according to the social network theory, the relational network can attain through the social network which does not exist internally and promote economic exchange (Anderson and Jack, 2002). Social media exposed its effects in combination with other resources such as capable human resources, effective production, and logistical resources. Thus, the hypothesis 2 is formed as follow:

Hypothesis 2: Personal network (H2a), Business network (H2b), Institutional network (H2c) and Social media network (H2d) have significant impact on acquiring of Network Resource

Resources which distribute heterogeneously and imperfect mobility, valuable, rare, inimitable, substitutable resources can lead to longlasting competitive advantage (Barney, 1991). Resource and capability which can create value for the firm can achieve the sustainable competitive advantage. According to previous literature reviews, intangible resources and capabilities have an impact on advantage creating (Hall, According to Resource-based 1993). theory, in-depth time competitiveness of a firm depends on the resources it possesses that can be differentiated it from its competitors and are durable and difficult to imitate and substitute (Zaridis, 2009). Thus, the following hypothesis was formed:

*Hypothesis* 3: Network resources have significant impact on Sustainable Competitive Advantage

The using of the network types is different which depends on the size of SMEs (small or medium) and number of years that SMEs established. There are limited findings in relationship of SME types or sectors and acquiring network resources. Thus, the following hypothesis is developed to find the mean difference of three SME types and network resources.

Hypothesis 4: There are mean differences among Types of SMEs on Network resources towards SMEs in Yangon

According to the previous studies, SMEs need to sustain its competitive advantage and exploit these opportunities by developing strategy for competitiveness (Rajesh, Suresh, & Garg, 2008). For sustaining their competitiveness, SMEs have to improve their assets, performance and process by acquiring resources. Type of total employees, business. investment and age of business is different on achieving competitive advantage in SMEs (Pongwiritthon & Awirothananon, 2015). Thus, the following hypothesis is occurred to find the mean different of 3 types of SMEs on sustainable competitive advantage.

Hypothesis 5: There are mean differences among Types of SMEs on Sustainable competitive advantage towards SMEs in Yangon

#### **Research Methodology**

This is the quantitative study and focuses on finding the causal relationships between antecedents which are networking behaviors, networking openness and the network resource, and forward to the network resource and sustainable competitive advantage of **SMEs** Myanmar (Yangon region). The purpose of the research is how networking behavior and networking openness of SME owners affect to the network resource and that network resources have value to sustain competitive advantage of SMEs. researcher conducted questionnaire as a research instrument tool to collect the data by online and interview. A primary data used for this survey. The researcher spread over a survey to 310 prospects which can represent the certain population and depending on the previous researches. The

respondents answered all the questions by themselves. The regression analysis and one way ANOVA are used to analyze the data.

The respondents in this study are SME owners in Yangon region. The total number of businesses in Yangon region is 22,729 and distributed accordingly 7756 in the manufacturing sector, 7592 in trade sector and 7381 in the service sector. The number of registered SMEs in Yangon are 10230 in which 8412 of small businesses and 1818 of medium businesses. The target population of this study consists of 3 categories which are grouping by the sector of SMEs as: Manufacturing, Trading and service. From the previous researches, different types of SMEs have different abilities to achieve sustainable competitive advantage. Accordingly, in this research, SME owner-managers are selected as answer these respondents to questions. As a second step, SME owners who are using networking for their business development must be chosen respondents. The researcher will be collected the data from Business Associations: Young Myanmar Entrepreneur Association (MYEA), Myanmar Women Entrepreneur and Myanmar Association (MWEA) Business Executive Association (MBE). Therefore, the researcher applied 310 respondents as the sample size to study the networking behavior of SMEs for available of network resource and they achieve sustainable competitive advantage.

To ensure that components of the sample is the same as the targeted population, this study allocated the sample size to each of the 3 sectors of SMEs (Manufacture, Trade, Service) by the portion of each sector owner-manager which was calculated from their distribution of business (%). In this research, the researcher applied the non-

probability sampling as a sampling technique by using judgement sampling, quota sampling and convenient sampling.

Judgment sampling or Purposive sampling reveals a group of sampling techniques that select the units by the judgment of the researcher (Laerd, 2018). In this research, the researcher determined to conduct questionnaires to three different types (manufacturing, trade, and service) of SMEs in Yangon as mentioned in the previous section. In addition, the researcher selected three business association (MYEA, MWEA, and MBE) in Yangon to represent the whole population which highly use networking for their businesses. The criteria for selecting the respondents in this research was to be the founder who had been managing their own SMEs. The reason for selecting the owner-manager was owner-managers in small businesses are driving force behind the businesses, and they are the catalyst for change in their businesses. The reason for selecting SMEs was their GDP contribution is the greatest in most developing countries and contribute 99.4% in Myanmar. Then, the SME sector is the major driving force which promotes the growth of jobs in a country's economy. Therefore, surviving of SMEs is very important for the country economy and GDP.

Quota sampling is used as a medium in order to ensure that the sample allocation can represent the proportion of different groups of respondents (Burns & Bush, 2005). The researcher applied quota sampling method to acquire the total number of respondents which is 310 owner-managers of SMEs based on their business distribution percentage in the year 2015 central statistical organization (CSO) data. According to the data from the central statistical organization (CSO), a registered business in Yangon region are 22,729 in three sectors. When analyzing the age of

businesses, the "young" businesses established 0-4years ago makeup 10% in the manufacturing sector, 19% in the trade sector and 23% in the service sector.

Convenience sampling which also accidental sampling called nonprobability or nonrandom sampling type. In the convenience sampling, the respondents of the target population meet with the criteria and easy to access, geographical proximity, reduce timeconsuming and the willingness of participation are involved for the purpose of the study (Etikan, Musa, & Alkassim, 2016). The convenience sampling method is useful for the completion of a large number of respondents in a cost-effective way in a brief time (Hair, Money, Page, & Samouel, 2003). Therefore, the researcher collected data from three business associations (MYEA, MWEA, MBE). From three business associations, the researcher gathered the data from three different business sectors as mentioned in previous part which manufacturing sector, trade sector, and service sector.

# Results and discussion *Results*

To determine the demographic information of 310 SMEs, the data collected from the three types of SMEs in Yangon. The descriptive analysis was used and the result was shown in table-1.

| Demographi<br>c Factors | Frequenc<br>y (f) | Percentag<br>e (%) |  |
|-------------------------|-------------------|--------------------|--|
| Types of<br>SMEs        |                   |                    |  |
| manufacturin<br>g       | 103               | 33.2               |  |
| trade                   | 103               | 33.2               |  |
| service                 | 104               | 33.6               |  |
| Size of SMEs            |                   |                    |  |

| 1            | •   | •               |
|--------------|-----|-----------------|
| Micro-       | 83  | 26.9            |
| under10      | 63  | 20.9            |
| small-11to50 | 125 | 40.0            |
| medium-      | 102 | 33.1            |
| 51to100      | 102 | 33.1            |
| Gender of    |     |                 |
| owner-       |     |                 |
| managers     |     |                 |
| Male         | 146 | 47.1            |
| Female       | 164 | 52.9            |
| Education    |     |                 |
| undergraduat | 23  | 7.4             |
| e            | 23  | 7. <del>4</del> |
| graduate     | 136 | 43.9            |
| master level | 145 | 46.8            |
| PhD          | 6   | 1.9             |
| Age of       |     |                 |
| Business     |     |                 |
| up to 1 year | 42  | 13.5            |
| 2-4 years    | 98  | 31.6            |
| 5-9 years    | 85  | 27.4            |
| 10-14 years  | 34  | 11              |
| above 15     | 51  | 16.5            |
| years        | J1  | 10.3            |
| Total        | 310 | 100             |

**Table 1:** Summary of Demographic Factors by Using Frequency and Percentage

In this research, for analyze the data, Multiple Linear Regression (MLR) and One-way ANOVA were applied to examine the factors which impact sustainable competitive advantage of SMEs in Yangon and identify the differences among the type of SMEs (manufacturing, trading and service).

| R    | R Square | Adjusted<br>R Square | Sig. |
|------|----------|----------------------|------|
| .810 | .656     | .652                 | .000 |

**Table 2:** Result of Multiple Linear Regression for Hypothesis 1

| Vari<br>able          | Unsta<br>ndardi<br>zed<br>Coeffi<br>cients<br>B | Sta<br>nda<br>rd<br>Err<br>or | Stand<br>ardiz<br>ed<br>Coeff<br>icient<br>s<br>Beta | Si<br>g.    | VI<br>F          |
|-----------------------|---|-------------------------------|--|-------------|------------------|
| Proac<br>tiven<br>ess | .172  | .04                           | .173   | 0<br>0<br>0 | 1<br>4<br>0<br>1 |
| Com<br>mitm<br>ent    | 034   | .04                           | .032   | 3<br>9<br>1 | 1<br>2<br>4<br>5 |
| Strate<br>gy          | .102  | .03                           | .104   | 0<br>0<br>4 | 1<br>1<br>3<br>9 |
| Open<br>ness          | .844  | .04                           | .697   | 0<br>0<br>0 | 1<br>3<br>5<br>0 |

According to the result of table 2, networking behavior (proactiveness, commitment, strategy, openness) which have an impact on network resources at the level of significance of .000, 0.391, 0.004, and 0.000 respectively. The beta of standardized coefficient (Beta) showed that the networking behaviors in terms of openness had highest positive effect towards network resource at  $\Box$  = .697, followed by proactiveness  $\Box$  = .173 and

strategy  $\square=.104$  which can be interpreted as positive impact to network resources which is the dependent variable. Furthermore, variance inflation factors (VIF) were lower than 5.000 which means multicollinearity is not impact for this research.

| R    | R Square | Adjusted<br>R | Sig. |
|------|----------|---------------|------|
|      |          | Square        |      |
| .978 | .956     | .956          | .000 |

**Table 3:** Result of Multiple Linear Regression for Hypothesis 2

| Vari<br>able                           | Unstan<br>dardiz<br>ed<br>Coeffic<br>ients B | Sta<br>nda<br>rd<br>Err<br>or | Stand<br>ardiz<br>ed<br>Coeff<br>icient<br>s Beta | Si<br>g.    | VI<br>F          |
|--|--|-------------------------------|---|-------------|------------------|
| Pers<br>onal<br>netw<br>ork            | 019  | .01                           | .022  | 0<br>9<br>6 | 1<br>2<br>4<br>9 |
| Busi<br>ness<br>netw<br>ork            | .026   | .01                           | .034  | 0<br>2<br>3 | 1<br>5<br>1<br>4 |
| Instit<br>ution<br>al<br>netw<br>ork   | .034   | .01                           | .039  | 0<br>1<br>7 | 1<br>8<br>1<br>7 |
| Soci<br>al<br>medi<br>a<br>netw<br>ork | .929   | .01<br>4                      | .951  | 0<br>0      | 1<br>4<br>5<br>3 |

The results shown in table 3 indicates that openness (personal network, business network, institutional network and social media network) have a significant impact on network resource towards SMEs in Yangon at a significant level of 0.96, 0.23, 0.17 and 0.000 respectively. The beta of standardized coefficient (Beta) of social media had the highest positive effect which equaled to  $\Box\Box\Box0.929$ , followed by institutional network  $\Box$  =0.34 and business network  $\square = 0.26$  which can be interpreted as positive impact to network resources which is the dependent variable. Furthermore, vari ance inflation factors (VIF) were lower than 5.000 which means multicollinearity is not impact for this research.

| R    | R      | Adjusted R | Sig. |
|------|--------|------------|------|
|      | Square | Square     |      |
| .346 | .119   | .117       | .000 |

**Table 4:** Result of Simple Linear Regression for Hypothesis 3

| Var<br>iabl<br>e                     | Unstan<br>dardiz<br>ed<br>Coeffic<br>ients B | Sta<br>nda<br>rd<br>Err<br>or | Stand<br>ardiz<br>ed<br>Coeffi<br>cients<br>Beta | Si<br>g.    | VI<br>F           |
|--------------------------------------|--|-------------------------------|--|-------------|-------------------|
| Net<br>wor<br>k<br>Res<br>ourc<br>es | .333   | .05                           | .346   | 0<br>0<br>0 | 1.<br>0<br>0<br>0 |

Simple linear regression was applied to measure the impact of network resources on sustainable competitive advantage. The results indicate that network resources have significant impact on the sustainable competitive advantage of

SMEs in Yangon at a significant level at 0.000. The beta of standardized coefficient ( $\beta$ ) of network resource had the positive effect which equaled to 0.34.

ANOVA table of Network Resources

|        | df | Mean<br>Squar | F      | Sig. |
|--------|----|---------------|--------|------|
|        |    | e             |        |      |
| Betwee | 2  | 47.46         | 167.14 | .00  |
| n      |    | 5             | 0      | 0    |
| Groups |    | 3             | 0      | U    |
| Within | 30 |               | -      | -    |
| Groups | 7  | .284          |        |      |
| Total  | 30 | F 1           | -      | -    |
|        | 9  |               |        |      |

**Table 5:** Result of One-way ANOVA for Hypothesis 4

# Multiple Comparisons of Network Resources

| Resources |          |             |            |    |
|-----------|----------|-------------|------------|----|
| Generati  | Generati | Mean        | Stan       | Si |
| on I      | on J     | Differ      | dard       | g. |
|           |          | ence (      | Erro       |    |
|           |          | I-J)        | r          |    |
| Manufa    | Trade    |             | .07        | 0. |
| cturing   |          | .916        | .07<br>426 | 0  |
|           |          | 7*          | 420        | 0  |
|           | Service  | -           | 07         | .0 |
|           |          | .406        | .07<br>408 | 0  |
|           |          | $0^*$       | 408        | 0  |
| Trade     | Manufa   | -           | 07         | .0 |
|           | cturing  | .916        | .07<br>426 | 0  |
|           |          | 7*          | 420        | 0  |
|           | Service  | -           | 07         | .0 |
|           |          | 1.32        | .07<br>408 | 0  |
|           |          | 28*         | 408        | 0  |
| Service   | Manufa   |             | 07         | .0 |
|           | cturing  | .406        | .07<br>408 | 0  |
|           |          | 0*          | 408        | 0  |
|           | Trade    | 1 22        | 07         | .0 |
|           |          | 1.32<br>28* | .07        | 0  |
|           |          | 28          | 408        | 0  |
|           |          |             |            |    |

\*Mean difference is significant at the 0.05 level

According to the result of table 5, the ANOVA was significant, F (2,307)=167.14, sig.=.000. Follow-up test of Scheffe revealed that there are mean differences among the three types of SMEs (manufacturing, trading and service) to acquire the network resources.

# **ANOVA table of Network Resources**

|        | df | Mean<br>Squar<br>e | F     | Sig. |
|--------|----|--------------------|-------|------|
| Betwee |    |                    | 14.19 | .00  |
| n      | 2  | 7.137              | 2     | 0.00 |
| Groups |    | 7.137              | 2     | U    |
| Within | 30 | 502                |       | -    |
| Groups | 7  | .503               |       |      |
| Total  | 30 |                    |       | -    |
|        | 9  |                    |       |      |

**Table 6:** Result of One-way ANOVA for Hypothesis 4

# Multiple Comparisons of Network Resources

| Genera         | Genera            | Mean                     | Stan              | Si           |
|----------------|-------------------|--------------------------|-------------------|--------------|
| tion I         | tion J            | Diffe<br>rence<br>( I-J) | dard<br>Erro<br>r | g.           |
| Manufa cturing | Trade             | .292<br>56*              | .098<br>82        | .0<br>1<br>3 |
|                | Service           | -<br>.231<br>55          | .098<br>58        | .0<br>6<br>5 |
| Trade          | Manufa<br>cturing | -<br>.292<br>56*         | .098<br>82        | .0<br>1<br>3 |
|                | Service           | -<br>.524<br>11*         | .098<br>58        | 0<br>0<br>0  |

| Service | Manufa<br>cturing | .231<br>55  | .098<br>58 | .0<br>6<br>5 |
|---------|-------------------|-------------|------------|--------------|
|         | Trade             | .524<br>11* | .098<br>58 | .0<br>0<br>0 |

<sup>\*</sup>Mean difference is significant at the 0.05 level

According to the result of table 6, the ANOVA was significant, F (2,307)=14.192, sig.=.000. Follow-up test of Scheffe revealed that there are mean differences between manufacturing SMEs and trading SMEs, trading SMEs and service SMEs although manufacturing and service SMEs have no significant difference.

**Table 7:** Summary Results from Hypothesis Testing

| Hypothe<br>ses<br>Descripti<br>ve   | Beta of<br>Unstanda<br>rdized<br>Coefficien<br>ts | Signifi<br>cant<br>Value     | Resu<br>lt                                 |
|---|---|------------------------------|--|
| H1: The networking behavior have a significant impact on network resource towards SMEs in Yangon proactive ness | .173<br>-0.32<br>.104<br>.697                     | .000<br>.391<br>.004<br>.000 | Parti<br>ally<br>acce<br>pt H <sub>1</sub> |

| - commitm<br>ent<br>-strategy<br>- openness  |                               |                              |  |
|--|-------------------------------|------------------------------|--|
| H2: The openness have a significa nt impact on network resource towards SMEs in Yangonpersonal network -business network - | -0.22<br>0.34<br>0.39<br>.951 | .096<br>.023<br>.017<br>.000 | Parti<br>ally<br>acce<br>pt H <sub>2</sub> |
| institutio nal network -social media network   |                               | く<br>う                       |  |
| H3: The network resources have a significa nt impact on sustainab le competiti ve advantag e towards                       | 0.346                         | 0.000                        | Acce<br>pt H3                              |

| CME- :-  |                              |                      |  |
|--|------------------------------|----------------------|--|
| SMEs in  |                              |                      |  |
| Yangon.  |                              |                      |  |
| H4: There are mean differenc es of SME types on network resource towards SMEs in Yangon Manufact uring and Trade - Manufact uring and service -Trade | .91678*<br>40607<br>-1.3228* | 0.000                | Acce pt H4                                 |
| and service  H5: There are mean differenc es of SME types on sustainab le competiti ve advantag e towards SMEs in Yangon.  Manufact uring and Trade  | .29256<br>23155<br>52411     | .013<br>0.65<br>0.00 | Parti<br>ally<br>acce<br>pt H <sub>5</sub> |

| -         |  |  |
|-----------|--|--|
| Manufact  |  |  |
| uring and |  |  |
| service   |  |  |
| -Trade    |  |  |
| and       |  |  |
| service   |  |  |
|           |  |  |

**Table 7:** Summary Results from Hypothesis Testing

#### **Discussion**

According to the hypothesis 3, there is an impact of network resources to achieve sustainable competitive advantage of SMEs but only 12% showed impact to sustainable competitive advantage. Therefore, there must be other influence factor to achieve sustainable competitive advantage of SMEs and which will be included in future research. From the network resources which collected in intangible questionnaire, resources: acquiring of business reputation and status, general international business and knowledge, management and Technology and technical know-how, new business ideas and opportunities and acquire human resources are more higher mean than the tangible resources of acquiring financial resources and physical resources. Hence, from networking, SMEs acquired more intangible resources than tangible resources and SMEs should be found the way to acquire tangible resources as getting loans, investors and shareholders.

According to the result of Hypothesis 3 in One-way ANOVA table, the null hypothesis H1 was accepted which means there are significant mean different between the types of SMEs (manufacturing, trading and service SMEs) in Yangon and acquiring network resources. From the result of Post-hoc test table, there is mean different between manufacturing SMEs and

trading SMEs with the mean different of 0.916. Therefore, manufacturing SMEs tend to acquire more network resources than trading SMEs. Likewise, there is mean different between manufacturing SMEs and service SMEs with the mean different of -.406 which means service SMEs can attained more network resources than manufacturing SMEs. Furthermore, there is also significant mean different between trading and service SMEs with the mean different of -1.32. Therefore, service SMEs can also attained network resources than trading SMEs. From these factors, trading SMEs are the weakest to acquire network resources in among 3 types of SMEs.

According the to result of Hypothesis 4 in One-way ANOVA table, the hypothesis H1 was partially accepted which means there are significant mean different between some types of SMEs (manufacturing, trading and service SMEs) and sustaining competitive advantage, and some are not . From the result of Post-hoc test table, there is mean different between manufacturing SMEs and trading SMEs with the mean different of 0.29. Therefore, manufacturing SMEs tend to sustain more competitive advantage than trading SMEs. Likewise, there is mean different between trading SMEs and service SMEs with the mean different of -.52 which means service SMEs can attained more network resources than manufacturing SMEs. However, there is no significant mean different between manufacturing and service SMEs. Therefore, from these factors, trading **SMEs** the weakest sustain are competitive advantage in among 3 types of SMEs.

#### Conclusion

Nowadays, SME sector is the major driving force which promotes the country's economy, job opportunities and contributing significantly to the GDP

through income generation, job creation and alleviating poverty (ESCAD, 2012). The promoting of **SME** sector sustainable growth and increasing competitiveness is very important for country's economy and development (Ylvije & Osmanni, 2013) . In this era, competition among the businesses are very high and to sustain their competitive advantage is highly necessary for the businesses especially in SMEs.

SME can achieve their competitive advantage when it can implement the strategy that create value and that strategy cannot be imitate by other competitors (Barney J., Firm resources and sustained competitve advantage, 1991). According to the resource based theory, a firm's competitiveness depends on the resources its can retain that valuable, inimitable, rare and non-substitutable (Zaridis A., 2014). There are tangible (physical, financial, technological) resources and intangible (innovation, knowledge, reputation, human resources) resources which exist within the internal organization are called organizational resources and which acquire from the external are called network resources. From the previous studies, it has been already proved that the organizational resources have relationship to achieving sustainable competitive advantage when the resources is VRIO resources. Moreover, networking behaviors (Proactive, strategy. Commitment, openness) of SME ownermanagers have impact on availability of network resources (Tang, 2011).

In this research, researcher has observed the relationship of networking behaviors of SME owner managers for resources by the acquiring network bevahiors variables of proactiveness, commitment, strategy and openness. Researcher sub-classified openness as personal network, business network, institutional network and social media

Among the relationship network. network behaviors to acquiring network resources, social media network from openness is the most effective networking behaviors of SME owner managers. In social media network openness, using of facebook for business is the most significant variable for acquiring network The network resources reosurces. new business ideas acquiring opportunities from networking is the greatest mean and it is the most acquired resource from network. As next step, researcher learned the relationship of resources achieveing network to competitive advantage sustainable SMEs. The researcher found the network resources have significant impact to achieve sustainable competitve advantage. Researcher also found the mean differences between the types of **SMEs** manufacturing, trading and service SMEs.

As conclusion, SME owner managers' behaviors are highly impact in acquiring network resources. There are tangible and intangible resources which come from internal organization or from external. In Myanmar, SMEs are weak in resources and SMEs must find the ways how to acquire these tangible resources and aslo intangible resources from external by networking. To activate the network with other entities, SME owner-managers must be proactive, commitment in networking and use the suitable strategy for networking with partners. SMEs should build network with other businesses in country and also businesses from other countries because micro and small businesses are difficult to stand their own to achieve competitive advantage when compare to the large businesses and also FDI. For the survival of SMEs, they should look into niche market accrding to their strength and acquire possbile network resources as financial, technology, knowledge and skills, market and customers and infrastructure support.

Firstly, SME owner manager need to be proactive to start network with other business or people with the effective networking strategy. SME owner managers should promote network as key activity, proactively participate in networking event and network with business partners for acquiring resources, also allocate budget for the networking activities. Secondly, formulate a strategy to align with business goals by comparing company role, function and power with that of partners. SMEs should enhance their networking by formulating and managing strategic network relationships more effectively to acquire resources. Thirdly, open the network channels by means of personal network, business network, institutional network and social media network. Fourthly, try to acquire network resources (financial, physical, reputation and status, knowledge and skills, technology, business and human idea and opportunities, resource) from business, institutional and social media network to achieve the sustainable competitive advantage of SMEs. Fifthly, relating with the acquiring and achieving competitive resource advantage from 3 types of SMEs, SMEs in trading sector should do more networking with the partners, attending networking events, using network strategy proactively.

According to the hypotheses, resources which come from network can explain only 12% to achieve sustainable competitive advantage of SMEs. The limitation of the study is attainment of SMEs' data because SME department is just started to collect SMEs' data, and their web site is still under construction. Besides, not all SMEs are registered, and only 55% of SMEs registered. Therefore, data collection process has done only by the help of business association such as MYEA.

MWEA and MBE. Thus, the outcome might not be generalized enough for all SMEs in Yangon unless comparative study can be executed. Another limitation is collecting of data for three sectors (manufacturing sector, trading sector, and service sector) of SMEs which have not enough data for equal distribution of SMEs in Yangon. In future research, researcher recommend to conduct on acquiring and developing other types of resources, as well as exploiting of resources. Therefore, in the future research, researcher suggested to add on other types of resource besides network resources to find the relationship sustainable competitive advantage SMEs.

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