

# 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 SMEs 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

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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