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## **Social Networks and Firm Performance:**

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## ENGLISH SUMMARY

### SOCIAL NETWORKS AND FIRM PERFORMANCE:

#### EXAMINING THE RELATION BETWEEN DIMENSIONS OF SOCIAL CAPITAL, SOCIAL NETWORK PERCEPTION AND FIRM PERFORMANCE

Firms often face different challenges. This is especially the case for new and small firms. There are various factors that can influence firm performance. One of these factors is the social network of a business owner or a manager.

An analysis of the existing literature reveals that there are significant benefits of social networks for firm performance. However, there are some limitations. First, there are conflicting findings regarding specific network characteristics that constitute social capital. Secondly, it is unclear how and what contextual factors influence the effects of social capital. Thirdly, most of the network research has been on the effects of networks, while there is little research and understanding on the antecedents of social networks. Fourth, there is little empirical research on the factors that influence the perception accuracy of inter-organizational networks. In sum, this study aims to examine 1) how the human capital and social capital relate to each other; 2) how the dimensions of social capital influence the performance of small businesses; 3) the effects of inter-organizational network perceptions on firm performance in emerging economies; and 4) the antecedents of accurate network perception.

Based on the above considerations, the question of this thesis is defined as: *How can social networks and inter-organizational network perception influence firm performance?*

The current study contributes to the existing literature by examining how and when social capital influences firm performance and the consequences and antecedents of managerial network perception. The related hypotheses were tested with meta-analyses and empirical studies in the unique context of the 2014 Winter Olympic Games tender competitions. The results revealed that social capital is strongly related to firm performance. However, these network effects are contingent on the development stage of new ventures, their industry and institutional contexts, and the type of performance measures considered. Furthermore, the results reveal that the accurate perception of networks is important, and misperception can be costly. Perception accuracy can be improved by actively scanning the environment and frequently interacting with key actors within

the network.