

## **KNOWLEDGE SHARING AND TECHNOLOGY TRANSFER: EVALUATION OF RECIPIENT'S SATISFACTION IN BILATERAL ECONOMIC COOPERATION**

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### **1. INTRODUCTION**

From the very beginning of Croatian independence, many developed countries offered technical assistance to Croatian economy. In the first phase to governmental institutions, but later on to the chambers, associations and the firms directly on the national, as well as on the regional level. Most of the technical assistance in bilateral aid projects came from the Germany, USA, Austria, Great Britain, and Netherlands.<sup>1</sup> For most of donors very important issue is recipient's absorption capability and learning capacity as experience and previous research suggest that successful knowledge sharing involves extended learning process and local applicability and adaptation (Nelson and Rosenberg, 1993; Stiglitz, 1999). The study of knowledge sharing has its roots in the literature of technology transfer and innovation (Kim and Nelson, 2000) and recently to strategic management field (Grant, 1996; Gupta and Govindarajan, 2000). Development researchers suggest that knowledge sharing is rather process of facilitating than the process of pure transmitting external knowledge to a new business environment (Ellerman, Denning and Hanna, 2000). Knowledge internationalization refers to the degree to which a recipient obtains ownership of, commitment to, and satisfaction with the transferred knowledge. The aspect of ownership relates to the degree that an individual invest energy, time, effort and attention in the knowledge, as such investment tend to cause individuals to develop ownership of the knowledge. The aspect of commitment means that individuals develop knowledge commitment to the extent that they see the value of the knowledge, develop competence in using the knowledge (Leonard-Barton, 1990), maintain a working relationship or interaction with the knowledge, and are willing to put in

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<sup>1</sup> Ministry of European Integration, Republic of Croatia; Bilateral State Aid to Croatia, internal documentation.

extra effort to work with the knowledge ( Mowday, 1979). Recipient's satisfaction can reduce recipient's stress ( Ettlé, 1986) and resistance level in adapting and using the knowledge ( Leonard- Barton & Deschamps, 1988). Only when recipient internalizes knowledge can it be sufficiently understood and adapted by the recipient to allow for its effective re-creation and use.

Croatian competitiveness and export results on the global market are decreasing in comparison with newcomer countries in EU <sup>2</sup>. If they are willing to survive on the global market, Croatian firms are in position to act quickly on the task of upgrading their technology and knowledge level. Besides new technology, they need new organization, new marketing approach, new knowledge and skills for internationalization, and all that adapted to the local circumstances. It seems that one of possible helpful ways is using the international aid or donors programs. International experience indicates that there are more eligible funds and resources than there is absorption capacity within domestic business community. Because of this fact, it is extremely important to include more and more firms and responsible persons in such type of projects, to give them opportunity to play active role in the planning and implementing projects, which will increase their tacit knowledge and skills, and upgrade their competitiveness level.

This study is focused on Netherlands program for cooperation on knowledge transfer and technology between Dutch companies and recipient companies in Central and Eastern Europe, including Croatia. The aim of the PSO program («Programma Samenwerking Oost-Europa» – Program for Economic Cooperation with Central and Eastern European Countries) is to promote the transfer of knowledge by the Dutch trade and industry in order to support the transformation to a market-oriented and sustainable economy in target countries in Central and Eastern Europe. Netherlands Ministry of Economic Affairs is financing the program and naturally it also devoted to strengthen the position of Dutch business in these countries. The program supports cooperative ventures between companies in Netherlands and those in Central and Eastern Europe, which would like to incorporate knowledge of innovation, energy efficiency and sustainable environmental development in their firms. Projects are developed in close cooperation with target countries and Dutch government provides grants to consortium of at least one Dutch company and at least one domestic company. This program is present in Croatia since the year of 1996. Memoranda of Understanding are concluded between the Netherlands government, The Netherlands Ministry of Economic Affairs, and the governments of the recipient countries. In Croatia, the Ministry of Economy, Labor and Entrepreneurship is the coordinating point for this program. On the basis of this memorandum projects are developed by Netherlands Foreign Trade Agency. These projects are awarded via public tendering to Netherlands companies and agency is responsible to coordinate monitoring and evaluation of the projects, during the implementation, together with the Steering Committee. From the year 1996 till today, 43 projects have received formal approval for the implementation, with the 20 million EUR budget. Most of the projects have been finalized.

However, little research has been carried out so far on the evaluation of foreign project implementation from the recipient side. In Croatia we do not find any public evidence how programs were successful and how different partners sides have evaluated particular program or project. Therefore this research intends to contribute to the current state of art in several ways. First, it aims to study recipient evaluation with foreign project implementation. Second,

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<sup>2</sup> «Annual Report of Croatian Competitiveness 2002»; National Competitiveness Council

it aims to bring certain policy recommendations for current or future participants in international cooperation on knowledge and technology transfer. Data will be collected through questionnaire survey distributed among recipients of PSO program in Croatia. The data analysis will be carried out using the SPSS program for statistical surveys analyses.

On the basis of the research results we expect to shed more light on: a) understanding recipient motivation to support knowledge sharing and technology transfer; b) the awareness of the firms about their insufficiencies in technology, lack of specific knowledge and skills, and their willingness to upgrade their knowledge and capabilities by involvement in such projects; c) recipient absorptive capability and learning capacity; d) giving some recommendations for better performance of the future bilateral cooperation, especially with the European Union countries, in the upcoming process of accession.

## **2. PROJECT DESCRIPTION AND RESEARCH PROCESS**

Dutch program of grants generally aimed to cover following areas: a) development of the market sector by privatisation and entrepreneurship; b) strengthening of the competitive position and modernisation of the market sector through restructuring, rationalisation and the upgrading of the business sector; c) development of long-term production processes in the market-sector: clean technology and energy saving techniques for enterprises. The programme scheme deals with new ways of exchanging knowledge between the business communities of both countries. Hopefully, the exchange will lead to the development of innovative approach of the firms or the implementation of innovation in the recipient company.

Approved projects are obliged to have characteristic as following:

- ❑ Each project has to have transfer of knowledge and technology, improvement in at least one business function – technological, organizational, marketing, or any other segment, for the final beneficiary;
- ❑ Each project has to have demonstration effect;
- ❑ Each project has to have multiplication effect – “spin off”
- ❑ For the sake of proofing commitment, each partner has to contribute at least 20% of total donated budget. For the Croatian firms, this amount could be contributed “in kind” (renting office space, building the storage, renovating space for the new equipment, the working hours of our consultant and the personnel in the firm, etc).

Project content consists of three components (Figure 1):

- Technical assistance;
- Equipment delivery;
- Education – training of the personnel in the firm.

All three components are closely connected and complementary. Technical assistance means the designing of the project and consulting (coaching) during the implementation of the project, in cooperation with the personnel in the beneficiary firm. It means transferring knowledge, as well as adapting it to the real situation in the firm. Equipment delivery means physical delivery of the machinery which is needed to upgrade the level of production process in the firm – tangible asset. Primary aim of education component was to teach persons in the firm how to operate with the new equipment or in the new technological process. Education's aim is to improve tacit knowledge of the personnel in the Croatian firms towards better business performance.

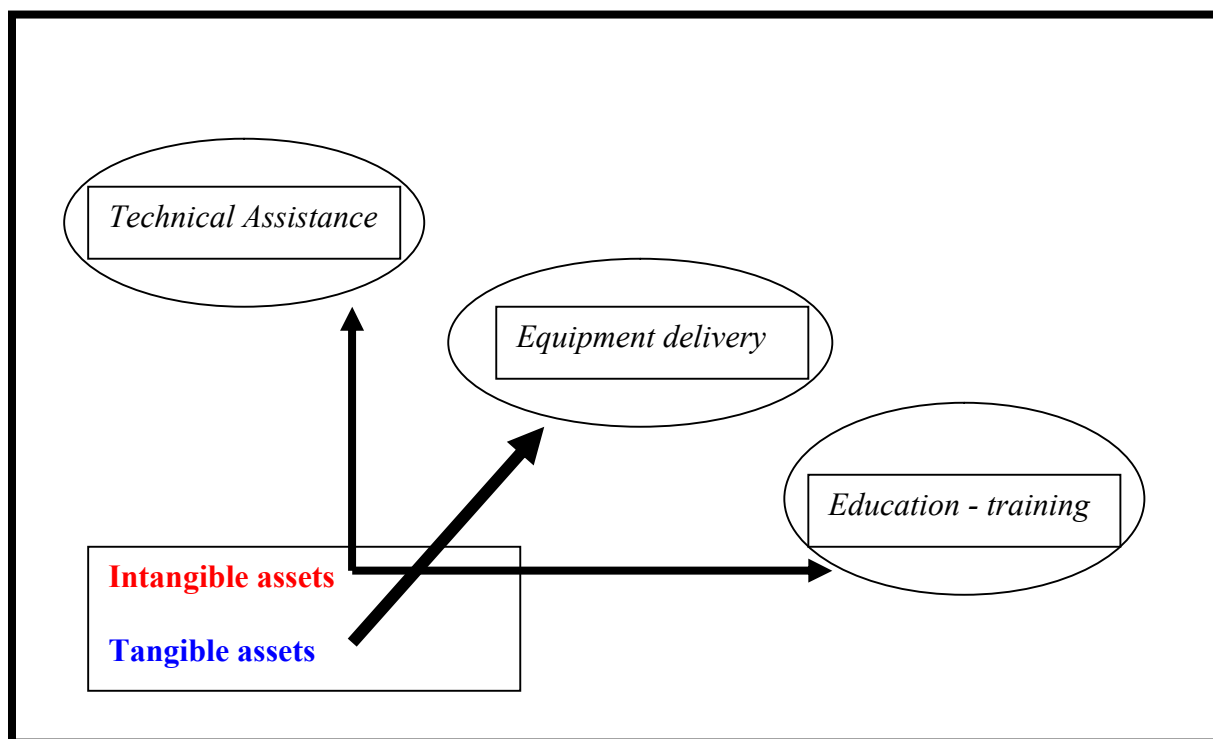


Figure 1. Components of the PSO project

During the year of 2004 we have carried out a survey among the Croatian firms, who were users of the PSO program. The survey was conducted by mailing the written questionnaire on the addresses of the 32 Croatian firms. All the firms sent us the filled out questionnaires back. In terms of gender there were participating 11 women and 21 men. Most of the respondents have a university degree and the average working experience of about 15 years. Most of them have work position on the decision maker level as managers or head of departments.

The questionnaire consisted of 35 questions grouped in the following way. First group of questions consisted of demographic data about decision makers who were filling out the questionnaire (5 questions). The second group of questions was focused on the characteristics of the firms - Croatian partners in the project (10 questions). The third group of items was designed to provide data on previous international cooperation experiences, finding the information about the project, and motives for the participation in the project. (10 questions). The last group of questions was aimed at recipient's perceptions about different needs of the firm (such as the need for technical assistance, equipment delivery or education), recipient's satisfaction with the project implementation and the results of the project (10 questions).

Questions were designed mostly as multiple choice questions (only a few questions were in the open-end form), in order to get concise and concrete answers that could have been used in quantitative analysis, and in order not to overburden the respondents. In addition to the written questionnaire, we have contacted all the firms and persons in charge, in order to obtain additional information through direct contact (telephone or face-to-face contact).

### 3. RESEARCH RESULTS

The data analysis considered individual items from the questionnaire as well as several composed variables. Univariate analysis was used for descriptive statistics of each variable (in forms of frequencies or percentages, and means and standard deviations). Furthermore, bivariate analysis was used for assessing the relationship between two variables (Chi-square, Mann-Whitney test, and Spearman correlation analysis). Results are presented in three sections, with focus on firms' characteristics, recipients' evaluation of the project, and the relationship between the firms' characteristics and the recipients' evaluation of the project.

#### 3.1. Firms' characteristics

Respondents were firms located in nine different Counties of Croatia, and they represent about ten industrial sectors, such as: agriculture, wood processing industry, food processing, tourism, transport, distribution, education, etc. In terms of ownership, majority of the firms participating in the survey (18) are privately owned firms, and the rest (14) are public firms, associations or institutions. Majority of the firms are active exporters (20), while about one third of the firms are non-exporters (12).

Firms vary in the number of employees from 2 to 436, and because of further analysis they were divided into two categories:

1. First category (12 firms): micro (5 employees and less; N= 4) and small (6-49 employees; N= 8).
2. Second category (18 firms): medium (50-249 employees; N= 16) and large (more than 250 employees; N= 4).

The majority of the firms that took part in the survey have had previous experience in international cooperation (N= 26), and only 6 firms haven't had such experience. They have evaluated their previous international experience with an average grade of 3.77 (SD= 0.76), on the rating scale from 1 (very low) to 5 (excellent).

Speaking about the specific characteristics of the firms related to the project itself, it is important to mention that minority of the firms (N= 8) have had previous experience in similar projects financed by foreign donors, while for the majority of the firms (N= 24) the PSO was the first project financed by the international grant. Majority of them (18) have got the information about the project possibility inside Croatia, and the others (N =14) have got the first information from outside resources.

Data about the finding and choosing the concrete partner in the Netherlands were assessed through an open-end question. Answers were further categorized by two independent judges in "*direct*" and "*indirect*" partner finding. It results that 14 firms have found their partners directly, and the rest of them (N= 18) indirectly, mostly through channels of the responsible institution (Ministry).

Firms' motives for getting involved in the project were assessed through an open-end question. Motives of the respondents included satisfying needs such as financial, educational, new experience in cooperation, getting equipment, technical assistance and transfer of knowledge. These various motives were categorised into 2 categories: "*only transfer of knowledge and technology*" (12 firms) and "*other*" (20 firms). The first category included

answers that referred to transfer of knowledge and technology, while the second category included a variety of answers that referred to other economic or financial needs.

Finally the evaluation of the three different potential needs for the firm, on the scale ranging from 1 (low needs) to 5 (large needs), showed interesting subjective perceptions. Most needed was new equipment ( $M= 4.14$ ;  $SD= 0.89$ ), somewhat less important was the need for education ( $M= 4.06$ ;  $SD = 0.98$ ), and the least needed was technical assistance ( $M= 3.71$ ;  $SD= 1.04$ ). Further, according to median-split, firms were categorized into firms with low and firms with high needs for each need separately, and such categorization was used in further analysis.

The interrelationship of the characteristics of the firm was analyzed by Spearman's correlation analysis. Significant correlations suggest the following:

- Privately owned firms tend to report obtaining the information about the program outside Croatia ( $r= 0.38$ ;  $p < 0.05$ ), just as they tend to report direct choosing of the foreign / Dutch partner ( $r= -0.48$ ;  $p < 0.01$ ).
- Responsible persons who have had previous experience in such type of programs tend to report the motive for the involvement in the project as transfer of knowledge and technology ( $r= -0.40$ ;  $p < 0.05$ ).

### 3.2. Recipients' satisfaction

The process of the project (variable named *Project process evaluation*) is evaluated by an average grade of 3.39 ( $SD= 1.09$ ) on a scale from 1 to 5. As far as the final result of the project is concerned, 16 firms consider that its results are in accordance, or above what was expected, while 8 firms consider the results to be below what was expected. Most successful were the results of the project concerning new equipment ( $M= 3.98$ ,  $SD= 1.03$ ), somewhat less successful those concerning education (variable named *Education evaluation*) ( $M=3.50$ ,  $SD= 1.07$ ) and technical assistance ( $M= 3.53$ ,  $SD= 0.80$ ).

Twenty-three firms share the attitude that without the project it would not have been possible for the firm to perform the activities agreed upon within the project (variable named *Autonomous performance*). Also, most of the firms ( $N= 26$ ) plan to continue the cooperation with their Dutch partner, and only 6 do not have such intentions. All of the firms are interested in taking part in other similar projects, and all except one agree that such projects contribute to the competitiveness of Croatian firms.

The relationship between different firms' characteristics was analyzed by Spearman's correlation analysis. Significant correlations suggest the following:

- The bigger the satisfaction with the process of the project (*Project process evaluation*), the bigger the satisfaction with the results of the project in general ( $r= 0.69$ ,  $p < 0.01$ ), as well as the satisfaction with each component separately (correlation coefficient ranging from 0.42 to 0.73, and being significant).

Three variables, education evaluation, project process evaluation, and autonomous performance were chosen to be used as three distinct markers of recipients' satisfaction, and were used in subsequent analysis of the relationship between the firms' characteristics and the

firms' satisfaction. Education evaluation was particularly important as the focus of this work is on knowledge and technology transfer, while the project process evaluation measure was chosen as a general index of satisfaction with the project since it is associated with other indicators of satisfaction (see above correlations).

### 3.3. Determinants of the recipients' satisfaction

#### 3.3.1 Evaluation of the education component – *Education evaluation*

Determinants of the firms' evaluation of the education component of the project are the size of the firm and the firms' need for technical assistance.

The size of the firm has a significant effect on the evaluation of the project results concerning education (Mann-Whitney  $Z = -2.39$ ,  $p < 0.05$ ). In particular, micro and small firms are more satisfied with the results concerning education considering the average grade of 4.09 (SD= 1.09), than medium and large firms that evaluate education by an average grade of 3.06 (SD= 1.09). The results are shown in Figure 2.

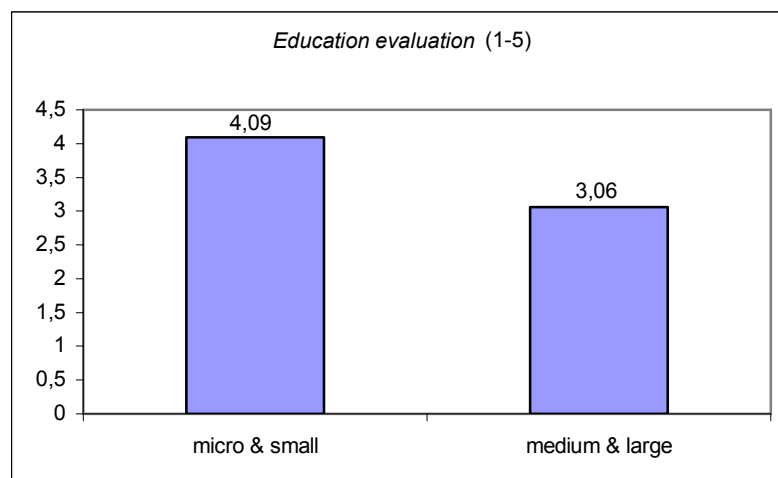


Figure 2. Average Education evaluation by two groups (group of micro & small, and group of medium & large firms) (Mann-Whitney  $Z = -2.39$ ,  $p < 0.05$ )

The evaluation of education results to be affected by the level of the need for technical assistance as well (Mann-Whitney  $Z = -2.23$ ,  $p < 0.05$ ). Firms whose needs for technical assistance are not high, evaluate the results of education with a lower grade, indicating lower satisfaction with education component (M= 2.90, SD= 0.97) when compared to firms whose needs concerning technical assistance are high (M= 3.79, SD= 1.01). The results are shown in

Figure 3.

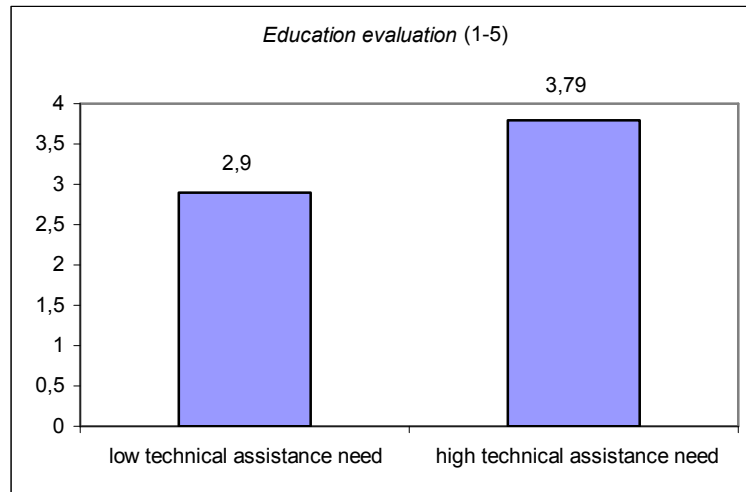


Figure 3. Average Education evaluation by two groups (firms with low and firms with high technical assistance needs) (Mann-Whitney  $Z = -2.23$ ,  $p < 0.05$ )

### 3.1.1. Evaluation of the recipient's Project process evaluation

The evaluation of the satisfaction regarding the project process is affected by the activity on the market (national vs. international), and by the need for equipment delivery. Results are shown in Figures 4 and 5.

Firms active in the national market are significantly (Mann-Whitney  $Z = -1.98$ ,  $p < 0.05$ ) more satisfied with the project process ( $M = 3.91$ ,  $SD = 1.04$ ) when compared to firms active in the international market ( $M = 3.05$ ,  $SD = 1.03$ ).

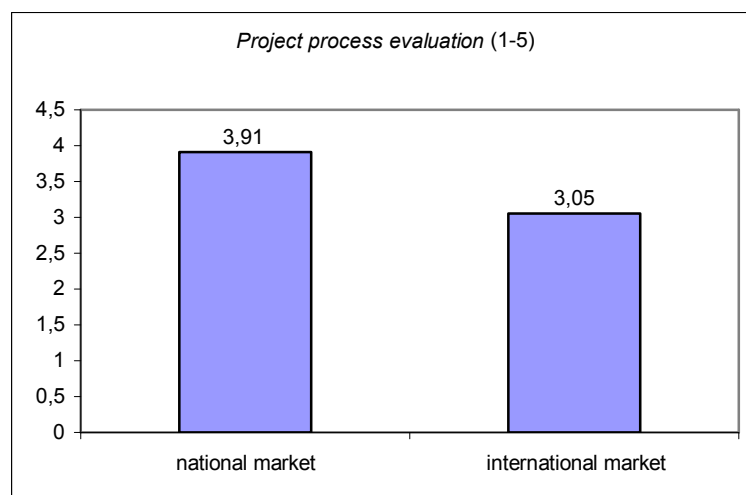


Figure 4. Average Project process evaluation by firms active in the national and international market (Mann-Whitney  $Z = -1.98$ ,  $p < 0.05$ )

Also, firms with high needs for equipment delivery are significantly (Mann-Whitney  $Z = -2,73$ ,  $p < 0,05$ ) more satisfied with the project process ( $M = 4,00$ ,  $SD = 0,74$ ) than are firms whose needs for equipment were not as high ( $M = 2,80$ ,  $SD = 1,15$ ).



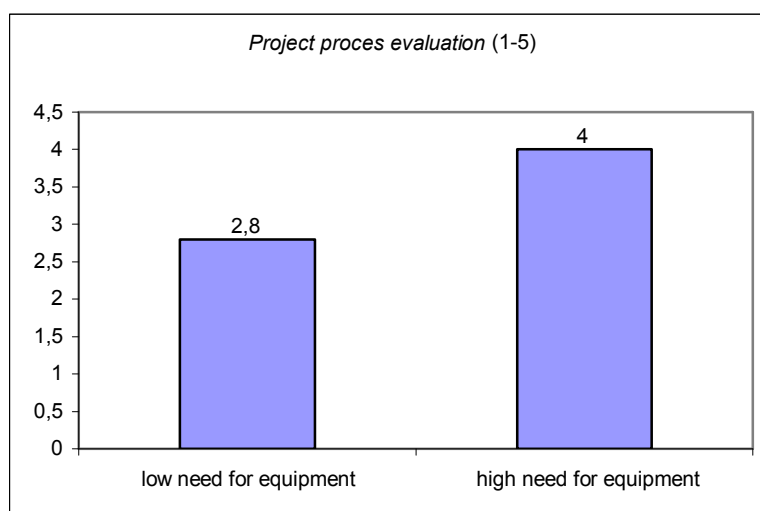


Figure 5. Average Project process evaluation by firms with high and low needs for equipment shipping (Mann-Whitney  $Z = -2.73$ ,  $p < 0.05$ )

### 3.1.2. Perceived capability to perform the project activities without foreign project partner – *Autonomous performance*

The estimation of autonomous performance is dependent of whether the firm is active on the national or international market (Chi-square= 4.98,  $p < 0.05$ ), as well as of the level of the firm's need for education (Chi-square= 4.18,  $p < 0.05$ ).

Firms that are active on the international market consider to greater extent that it would not have been possible for them to perform autonomously activities agreed upon within the project, thus without the help of the project, than firms active only on the national market (Table 1).

Table 1. Distribution of the firms according to their evaluation of autonomous performance ability, and according to their activity on the market (Chi-square= 4.98,  $p < 0.05$ )

	AUTONOMOUS PERFORMANCE	
	YES	NO
NATIONAL MARKET	54.5 %	45.5%
INTERNATIONAL MARKET	15.8 %	84.2 %

Furthermore, firms whose needs for education are low more often think that they would not have been able to perform the activities without the project's help, than high education needs firms (Table 2).

	AUTONOMOUS PERFORMANCE	
	YES	NO
<b>LOW EDUCATION NEED</b>	<b>15.8 %</b>	<b>84.2 %</b>
<b>HIGH EDUCATION NEED</b>	<b>50.0 %</b>	<b>50.0 %</b>

Table 2. Distribution of the firms according to their evaluation of autonomous performance ability, and according to their education needs (Chi-square= 4.18,  $p < 0.05$ )

### 3.1.3. Correlation analyses

The correlation analysis points to the importance of past experience for the firms' satisfaction with the project results:

- Firms, which are more inexperienced regarding international cooperation, tend to evaluate better the results regarding technical assistance ( $r = 0.36$ ,  $p = 0.05$ ).

## 4. RESEARCH DISCUSSION

### 4.1. Experience and the awareness of the need for knowledge and technology transfer

Looking at the characteristics of the firms participating in the project, descriptive results point that in general the firms are quite experienced as far as the international cooperation is concerned. But, on the other hand, they are relatively inexperienced regarding the participation in projects financed by foreign donors. Considering the firms' relative incompetence (due to a lack of experience) in this type of bilateral cooperation, it does not surprise that a large number of the firms have found the Dutch partner indirectly, and found the information about the project inside the country. As follows, it might be said that the Croatian firms participating in the project were in general relatively inexperienced regarding the specific project type, adopting a relatively passive role in terms of choosing foreign partner. Somewhat more active were privately owned firms that tended to choose their Dutch partner directly ( $r = 0.48$ ).

The firms' past experience in international cooperation and in projects similar to this one, their activity within the project, as well as the relation of these elements with the project satisfaction, can certainly be regarded as important determinants of the internalization process. Numerous internalization theories (i.e. Deci & Ryan, 1985) consider activity to be the basis of internalization that is particularly important when speaking about knowledge and technology transfer. According to theory, it may be assumed that the firm would benefit the most out of the project only through internalization, through the firms' appropriation of the knowledge that is being transferred as one's own (Abelson, 1986; Wicklund, 1989). Our results indicate that the role of past experience is indeed an important factor for the project results, but its role seems to be rather complex. In example past experience in similar projects is associated with greater awareness of the need for knowledge and technology transfer reflected through the firms' motive for engaging in the project ( $r = -.40$ ). But on the other hand, experience concerning international cooperation is associated with less satisfactory results with the technical assistance component of the project. Thus, it seems that the project was well designed and satisfactory in particular for firms that were relatively inexperienced in international cooperation, and which through the project began to establish bilateral business connections. Also, the results indicate that not just any international cooperation, but the one

provided by projects like this one seem to foster the awareness of the need for knowledge and technology transfer.

According to the results (see Fig. 4), firms active on the domestic market result to be more satisfied with the project process when compared to firms that are active exporters. If we assume that the firm's activity reflects the firms' experience – with firms active on the domestic market being less experienced in international cooperation, results point once again to the importance of the project for inexperienced firms in particular.

But, one has to acknowledge also the results according to which firms that are not active exporters consider to greater extent that they could have performed the same activities as those in the project by themselves (without any additional support), when compared to active exporters (see Table 1). This could indicate that active exporters are more aware of the circumstances on the international market, and more aware of their capabilities, than small firms. But, since not having an objective measure of the firms' capabilities to perform the agreed activities – these results should be researched further.

Finally, the size of the firm is also found to be strongly related to the satisfaction with the project results. In particular, micro and small firms are more satisfied with the results regarding education than are medium and large firms (see Fig. 3). It might be that small firms do not have established international cooperation, and do not have enough self-capacity to upgrade their technological level, which is why the education component is very visible for them. On the other hand, bigger firms are more likely to have established international relationships with foreign compatible firms. Through those channels they have also the ability to transfer new knowledge and technology to some extent, which is why from them the education results are not as visible. This allows for viewing these findings again in the light of experience. Another way to understand the present results is the financial grant for the project that is proportionally much bigger for the small firms, than for the medium or large ones.

In summary – the discussed results indicate the particular importance of the project for non-experienced firms. According to the results, it may be assumed that projects like this one may serve as the motor for the internalization process, since active participation in the project means additional experience for the firms participating in the project.

#### **4.2. The firms' needs and the project results**

The research results suggest that firms with high needs for technical assistance are more satisfied with the education component of the process than firms with low technical assistance needs (see Fig. 3). Similarly, firms with high needs for equipment are more satisfied with the project process than firm with low equipment needs (see Fig. 5). These results suggest that the project was able to provide satisfactory results in particular for the firms whose needs were related primarily to getting technical assistance and new equipment. When focusing on firms with high education needs, it results that they feel more capable of performing autonomously the activities defined in the project than firms with low education needs (see Table 2).

Majority of the firms perceive the results of the project, to be according or above their expectations (N= 16). Still, there is a considerable number of firms (N= 8) that perceive the results of the project to be below their expectations. It would be useful to include a measure about the firms' expectations in future research. This would allow for better understanding of

the recipients' satisfaction, and it would provide additional guidelines for the project development.

At the end, it should be pointed out that the big majority of the firms (26 out of 32 firms) are very keen to continue cooperation with the Dutch partners. This indicates overall high satisfaction with the participation in the project, and the usefulness of the project that facilitates the establishment of bilateral business connections, in which both partners are finding mutual interest and benefits.

#### **4. CONCLUSIONS AND POLICY RECOMMENDATIONS**

In Croatia there is a strong need for domestic firms to orient their activities towards upgrading their levels of knowledge, technology, organization and marketing skills through an open and proactive approach in bilateral economic cooperation. The help of international aid or donors programs, such as the PSO program, can be an efficient way of achieving this aim. In order to understand better how domestic firms participating in programs of this type evaluate such bilateral economic cooperation, a research on the recipient's satisfaction with the PSO program was carried out.

The research provided information on the understanding of the recipient's motivation indicating that firm's participation in the donors programs is associated with greater motivation and openness for supporting knowledge sharing and technology transfer. Further, it provided evidence on the importance of the firms' awareness about their insufficiencies for the satisfaction with the project. The research results revealed a significant effect of the strength of needs for technical assistance and equipment delivery on the satisfaction with the education component and with the project process in general. The study also showed that firm's greater needs for education bear an effect on the perceived capability of autonomous performance, a finding that suggests the importance of firms' awareness about their insufficiencies for their absorptive capability and learning capacity.

Generally speaking, the national and regional institutions need to put additional effort to establish and spread channels of international cooperation. Government is supposed to support all the programs that will allow transfer of knowledge and technology from developed countries to Croatia, in order to increase competitiveness level of Croatian firms. During the planning phase, it is important to set up the objectives, which are priorities for both sides cooperating in the project. Properly chosen objectives could assure the motivation and commitment for the implementation of the project. Achieving these objectives could assure the recipient's satisfaction with the final outcomes of the project and feeling of the ownership of the internalized knowledge.

More specifically, based on these research findings, and experiences gained within the project, a few recommendations could be formulated for the policy makers, for designing and performing future international cooperation. Recommendations are formulated on three levels, for the governmental institutions, for the chambers and associations and for the basic level, for the firms.

Government institutions and Croatian economic diplomacy is supposed to play a more active role in the process of international economic cooperation. Civil servants should be educated and motivated to increase and develop this type of cooperation. Public administration should raise the awareness and sensitivity towards the most urgent needs of business community.

Further education of governmental personnel would be a beneficial effort in the process of achieving this aim.

Chamber (of Commerce and Crafts), and business associations should strengthen communication with the national authorities and international donors, and collect the information from international resources. Their task would be setting up the information channels to Croatian firms about the available donor's programs and establishing a system of evaluating the projects performed in the firms. Improving the education system towards specific needs of business community would be additional step in upgrading knowledge and technological level of Croatian firms, and their competitiveness as well.

The task of the firms should be upgrading their positive attitude towards foreign firms and consultants, international cooperation in general, and playing a more active role in project planning and implementation of the project process. Taking in consideration the fact that learning by doing is the most efficient way of knowledge internalization, firms should motivate and involve as much as possible their employees in performing activities during the project planning and implementation.

In future, it would be of great importance to focus in research concerning evaluation of other donor's programs, involving also other parties that participate in such programs, and comparing the results.

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