

## **Collaboration and Innovation in Sweden and Bulgaria: A Study of a Mature Industry**

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### **Abstract**

*Nowadays, creation, exchange and transfer of knowledge (CETK) are turning into the most significant activity for companies. This article sheds light on Swedish and Bulgarian companies within a mature industry in terms of their knowledge flows for collaboration and innovation. Companies from the two countries as well as Small and medium enterprises (SMEs) and large firms are compared. Quantitative and qualitative research methods are combined. A set of variables which have a positive relationship with the companies' research and development (R&D) activities and innovation is developed.*

*It was found out that the set of variables employed can predict the innovation and R&D of companies, laying of electrochemical and conversion surface treatments with functional and decorative purposes (ECSTFDP) for the sample. In both countries innovation and R&D are positively affected by places for knowledge exchange followed by collaboration factors and market situation. However, the factors for collaboration and interaction are the most important for increasing the innovation activities in companies with ECSTFDP, irrespective of size, age and country of operation. Moreover, the article reveals the vital role of the social element in the CETK, which is also emphasized in the knowledge management literature. Furthermore, it illustrates that companies are influenced by the number of factors in this collaboration and actively evaluate the trade-offs from it. Additionally, the dynamics of the market is setting the pace and degree of newness of innovation and R&D activities.*

**Keywords:** collaboration, innovations, mature industries

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### **1. Introduction**

Contemporary economic development is characterized by rapid technological change leading to knowledge creation that highly intensifies the competition between

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