# Chapter 46 Profiles and Motivations of Standardization Players

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#### **ABSTRACT**

This study profiles the characteristics and motivations of participants from Luxembourg in national and international formal standardization activities. The study considers both experts and the organizations to which the experts belong. By adopting a qualitative approach, data have been mainly collected through 24 semi-structured interviews with experts and public available register data on the organization. The main result is that participants in standardization can be classified into two main groups. The first group consists of large and international firms which are active in product standardization aiming to promote the interest of the firm. The second group are mainly small and local firms active in management standardization for which knowledge sharing is an important part of the standardization process. The classification is useful in interpreting the difficulties faced during the standardization process and in designing appropriate supporting policies.

## 1. INTRODUCTION

Standards are important for economic activity because they perform some fundamental functions such as interoperability, quality assurance, information and measurement (e.g. David & Greenstein, 1990; Swann, 2000; Blind, 2004). Moreover, codifying relevant knowledge, facilitating diffusion of technical innovation and best practise, standards and standardization can be a key instrument of policy-maker to foster innovation and growth for the whole economy (Communication from the Commission, number

133, 2008). However, from the point of view of a single organization, participating in formal standardization process can require considerable resources. Moreover, the standards resulting from the formal standardization process are not excludable from competitors. A firm not participating to the process can benefit from the standards without the cost of the standardization (i.e. free riding). Nevertheless, numerous organizations participate in standards development. In 2000, at least forty thousand experts are involved in international standardization organizations (Mattli & Büthe, 2003). Considering the economic impact of standards

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and standardization, it is important to investigate the reasons why economic actors participate in the standardization process. Indeed, if firms and experts are involved in standardization despite the time and financial costs, then these players expect some benefits from standardization that could allow them to offset the costs.

Some studies address participation in standardization from the point of view of the enterprises (Blind, 2006; Mangelsdorf, 2009) and some on individuals only (Jakobs et al., 2001; Isaak, 2006). This study aims to offer a comprehensive description of the motivations behind standardization participation, considering both single experts and the organization to which the experts belong. Indeed, standardization experts materially develop and draft standards but their action is part of the activity of the economic entity they represent.

More precisely, this study targets participants from Luxembourg in formal standardization process (i.e. expert national mirror committees, European and International technical committees). Considering simultaneously both firm and experts point of view is particularly relevant for Luxembourg because, even if several experts of the same economic entity can participate in national mirror committee, but in case of ballot within the national mirror committees, each entity has only one vote (ILNAS, 2010, p. 7).

The goal of the study is to shed light on the players of the formal standardization process that to suggest priorities to policy makers and provide adequate support to the standards setters.

The rest of the research is organized as following: distinguishing between individual and organization level, results of previous studies are presented. The methodological section presents the details of the research procedures. The motivations of the standardization players are discussed in Section 4 and their profiles in Section 5. The final remarks conclude the paper.

# 1.1. Experts Participation

The current section focuses on the expert point of view while the next is dedicated to the organization's point of view. Standardization process is usually organized in Technical Committees -TCs- and the TCs are made of Working Groups -WGs-. It is worth note that each WG is, ultimately, a group of experts. Despite the importance of experts' contributions to successful standardization, few studies have explicitly addressed the motivations of standardization experts (Jakobs et al., 2001; Isaak, 2006). WGs works is usually dominated by firms that endorse their representatives. However, the motivations and the values of individuals to participate in standardization process can be not negligible (Isaak, 2006). From this point of view, aside the firm's decision to engage in standardization process, social capital theory can provide a compelling explanation for the behaviour of the experts. The social capital theory considers any individual or organization as a set of tangible and intangible resources used to achieve certain goals. The main insight of social capital theory is that networks of relationships constitute a valuable resource. By participating in a WG, the expert can join a community of experts and expands the size of the network, so increasing both his own social capital and the social capital of the WG. The particular properties of the WG (e.g. openness, transparency) provide the experts with the necessary conditions for acquiring and/or exchanging social capital efficiently. Kankanhalli et al. (2005) demonstrate that people participate in a knowledge sharing process if social capital gained during social exchange (e.g. of technical knowledge, the social network and reputation) exceeds negative outcomes (e.g. unintended spillovers). As each expert compares the advantages to the costs of participation in a community that is sharing some form of knowledge (Chow & Chan, 2008; Chang et al., 2008), this research adopts a cost-benefits framework, as shown in Figure 1.

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