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## Business Visits and the Quest for External Knowledge

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### Abstract:

This paper contributes to existing work on innovation by studying the determinants of various types of interaction between a firm and its external environment. In particular, it focuses on face-to-face interactions carried out through international business visits. The results indicate that accessing external knowledge is a key determinant of the decision to interact, regardless of the chosen form of interaction. Conferences and trade fairs are the interactions with the highest probability of knowledge gain, while visits to new customers and suppliers are those with the lowest. The likelihood of accessing external knowledge is also affected by the type of employer and functional unit involved, and the characteristics of the employee carrying the visit out. The results support that labour mobility aimed at interacting can add to an organisation's efficient use of human resources. As a result, it highlights that cutting travelling budgets to reduce financial expenditures also reduces opportunities to interact and, with it, the access to external knowledge.

**Text:** See [Discussion Paper No. 5436](#)



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