THE PRIMACY OF SOCIAL NETWORKS IN ENTREPRENEURSHIP: A STUDY OF NETWORKING ABILITY AND INNOVATIVENESS AMONG UNIVERSITY STUDENTS IN NORTH CENTRAL NIGERIA

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Abstract

The study: The Primacy of Social Networks in Entrepreneurship: A Study of Social Networking Ability and Innovativeness among University Students in North Central Nigeria, ascertained the relationship between networking ability and innovativeness. To achieve this, a correlational survey of 402 respondents being the students of the five selected universities was conducted. The study used primary data that were generated using structured questionnaires that were administered on the selected respondents. Descriptive statistics, correlation and other diagnostics were used to analyse the data and to test the hypothesis. The study found a strong correlation between networking ability and innovativeness (r=0.336, p(0.05, n=402). Based on the findings of the study, it was recommended that students’ networking ability should be encouraged by the universities, governments, patrons, role models and policy makers, especially now that there is an increased need for entrepreneurship the world over in the quest to curb youth unemployment. It is
also suggested that networking ability and activities should be incorporated into the curricular of higher institutions as it has been discovered to facilitate innovativeness among members of NASE (Network of African Student Entrepreneurs).

Keywords
Networking Ability, Innovativeness, Social Networks, Entrepreneurial Orientation, Political Skill Inventory, Social Capital, NASE

1. Introduction

The enhancement of individual, organizational and societal gains by social networks as idea of social networks while making efforts at making their theories tilt towards the studies of social group dynamics and how social ties are formulated through having individuals with similar and direct social ties, values, beliefs, and norms who would want to further their courses in ways that would be beneficial to them (Breiger, 2004 and Aldous, 2002). They further stated that while Durkheim focused on non-personal and a less direct social link; implying that resources are not exclusively owned by individuals who belong to social groups or networks, Tonnies on the other hand focused on a direct and more personal social link; implying that although individuals possess resources, those resources cannot completely satisfy individual needs and therefore they (individuals) would require resources from others. This forms a part of what was later known as social capital, which provides resources for individuals and group which may or may not be tangible; which also in the context of this study would be intangible and implying the entrepreneurial leanings enjoyed or benefitted as a reason for belonging to social networks.

Breiger (2004) showed that the path to modern day social networks could also be understood from a look at the 20th century, when Georg Simmel concentrated on the studies on networks and interactions within which individuals enjoy belonging to informal social networks rather than formal work groups, likely implying that work groups are usually the outcome of forced relationships where members belong to whether they like to or not, while informal social networks are outcomes of a quest for improving one’s state of being, and again in the context of this study implies that individuals who belong to social networks seek a better state for their psychological cum economic capacities owing to the fact that Entrepreneurial Orientation (EO) enhances the cognitive, social and economic gains of individuals and organizations. Owing to the entrepreneurial dimension of innovativeness, social networks are channels through which
individuals come together to improve their abilities in advancing their lot futuristically and creating a sustainable economy.

A social network is a social structure made up of nodes (individuals or organizations) which are linked by one or more specific types of relationship or interdependence such as values, ideas, financial exchange, trade friendship, kinship, social role as well as affection or action relationship (Haas, 2009). Social networks can be viewed from two angles. They could be online or off-line. Hartshorn (2010) outlined some of the differences between online or social media and offline social networks. First, online social networks is a way of transmitting and sharing information with a broad audience, in which everyone has the opportunity to create and distribute any kind of information of interest to the person. All that may be required is to connect to the internet, whereas, off-line social networks is an act of engagement, where people of homophilous attributes come together to build a relationship. Second, in terms of communication style, online social networks are just a medium of communication like the TV, Radio etc. that is not a location. Whereas off-line social networks are a two-way communication. In this type of social networks, people congregate to join others with the same experiences and backgrounds. Conversation is at the core of this type of social networks. Third, there is timely response in off-line social networks, because it is between and amongst people, and as such, it is richer, more purposeful and more personal. The focus of this work however is on off-line social networks; the size of the network has a great influence on entrepreneurial orientation as it promotes better access to information and resources. The network density also determines the extent to which members will know each other which to a great extent determines the level of trust members will have for each other.

In the same vein, network diversity gives a picture of how diverse the information and resources available to an entrepreneur are. Entrepreneurial orientation is the propensity of the entrepreneur to initiate new ideas, mobilize resources, take risk and take overall responsibility for actions taken. Entrepreneurial orientation can be decomposed into risk disposition, pro-activeness, innovativeness, competitive aggressiveness and autonomy.

Given the growing level of unemployment in Nigeria, government needs to double its efforts in encouraging entrepreneurship. This is because the capacity of government to foster an environment for information for resource mobilization and encouraging the formation of informal contacts is a major paradigm for economic transformation (Ameh & Udu, 2016). This on the part of government will engender the creation of a platform for information sharing.
NASE is an association of students’ entrepreneurs that is organized by students with like minds and similar resources, in order to enhance their abilities and skills to be able to grow into full-fledged entrepreneurs. They exist in most universities in Nigeria but are very pronounced in universities in the North central part of Nigeria. Given that the zone is in dire need of economic transformation and development which is dependent to a large extent on the level of entrepreneurial activity, it becomes expedient to explore all avenues with the potential of ensuring heightened ability and acute awareness for recognizing opportunities especially among the youths. North central zone comprises Benue, Kogi, Kwara, Nassarawa, Niger, and Plateau states and Abuja. All the states in the North central geopolitical zone except Abuja have one Federal and State University respectively as public Universities in the zone. The zone also has some private universities scattered all over it. This study was conducted on selected universities in this zone. The five universities selected are the ones that are registered with the Network of African Student Entrepreneurs (NASE) formed under the auspices of the Entrepreneurship Partnership for Africa (EPA)-a British Council sponsored project and the National Universities Commission (NUC), with headquarters in Kaduna State University.

1.1 Problem Statement

The new curriculum for higher education in Nigeria spells out the need for entrepreneurship education for all students of Nigerian universities. However as laudable as this is, the structures and systems have not been properly put in place to help these budding entrepreneurs achieve as much as would be required to harness their entrepreneurial talents while on campus. A system like that could be to support groups of fellow students who have the same passion for entrepreneurship. Whether these groups would lead to the development of the entrepreneurial mind set of these students or become another distractive association where students would rather retrogress entrepreneurially is basically what the study is all about.

1.2 Objective

To ascertain the relationship between social networking ability and innovativeness amongst students under the NASE platform in five selected Universities in the North Central zone of Nigeria.

1.3 Hypothesis

H₀: There is no significant relationship between networking ability and innovativeness of NASE in Universities in North Central Zone of Nigeria.
There is a significant relationship between networking ability and innovativeness of NASE in Universities in North Central Zone of Nigeria.

2. Literature Review

2.1 Conceptualizing the Political Skill Inventory

It is commonly held by scholars that organizations are fundamentally political arenas. This is largely the reason being that even though performance, effectiveness and success in one’s career are the products of hard works and probably intelligence, that there are factors within the organizational settings like social astuteness, positioning and savvy that distorts these norms (Ferris, Treadway, Kolodinsky, Hochwarter, Kacmar, Douglas, and Frink, 2005). This therefore implies as suggested by Pfeffer, (1992), that an understanding of skills of persuasion, manipulation and negotiation which make up political skill is important if managers must be successful. Political skill as defined by Ferris et al., (2005) is “the ability to effectively understand others at work and to use such knowledge to influence others to act in ways that enhance one’s personal and/or organizational objectives”. Individuals that are highly skilled politically must therefore be able to combine social astuteness with the capacity to fine-tune their behaviour to different and changing contingency demands in a manner that appears to be truthful, inspiring and trustworthy, and effectively influence and control the responses of others. Political skill is generally decomposed into four dimensions (social astuteness, interpersonal influence, networking ability and apparent sincerity). Amongst these dimensions, the interest of this study is centered on the networking ability dimension of political skill.

2.2 Concept of Networking Ability

The concept of social networks has attracted increased attention from entrepreneurs, policy makers, businesses, managers, and academics these last past two decades. This awakened interest points to the fact that no individual can stand alone, and as such, for governments for instance to delve into alliance with other governments that will them develop capacity to meet their obligations, it is pertinent to attract the various resources that they require to achieve their goals of governance. Entrepreneurs, who must build strong relationships with others in their field in order to be able to achieve their goals of creating products or adding values, are also not left out. Also with managers that must establish affiliations with managers of other firms, that will enable them share experiences and as well as resources that will enable them excel in their managerial duties of making effective and efficient decisions. For academics, these interests have
arisen as a result of the lack of consensus amongst scholars as to what constitutes, or the appropriate domain and also the actual contributions of networking to the growth of business and entrepreneurial activities.

   To these effects, a plethora of descriptions of a social network have been advanced by different scholars; Huynh and Patton (2014) fronted a social network to be an embodiment of single nodes (actors) and as well as the linkages between these nodes. They also aver that a social network is the aggregate of both the actual and potential resources that are entrenched within, accessible through, and derived from the networks of relationships controlled by individual social units. This description of a social network views it from the angle that it has the tendency of creating a combination between a single individual with others, and as well as creating an access to both resources that are available and those that are expected for this individual due to the relationships that have been created with these other individuals. According to Ogunnaike and Kehinde (2013), social networks are nodes of individuals, groups, organizations, and related systems that tie in one or more types of interdependences: these include shared values, visions and ideas, social contacts, kinship, conflict, financial exchanges, trade, joint membership in organizations, and group participation in events, among numerous other aspects of human relationships. This suffices that people of homophilous attributes come together to pursue a common agenda.

   A social network helps in building trust among the members of the network. This in turn makes it possible for actors to cooperate and expect reciprocation (Rousseau et al, 1998, Dakhli and de Clerg, 2004) as cited in Doh and Zolnik (2011). The trust that has been built will enable the actors to respect the assumed commitment amongst themselves in a particular network.

2.3 Innovativeness

   Innovativeness is the predisposition of a firm to support the creation of new ideas, experiment with new ways of doing things, renew technological methods, and advance existing products or services. According to Frishammarand Horte (2007) in Li (2011) stated that “innovativeness resembles culture, climate or orientation and may occur along a continuum rather than an outcome”. Innovation is the tendency to explore and imbibe the culture of seeking new and better means of creating new opportunities. This implies that innovation is associated with creativity and could be linked to entrepreneurship because of commercial viability to be exploited. A firm that is innovative explores every avenue of creating new products or services and/or
improving on existing ideas for commercial purposes (Behzad and Aboulfazl, 2013). Firms that adopt innovative style favour change and predisposes themselves to support new ideas; embraces creativity in technology adoption and other internal processes that could place the firm on competitive advantage over others (Mahmood and Rufin 2005; Rauch, Wiklund, Lumpkin and Frese 2009; Baker and Sinkula 2009) in Jalali (2012). Innovativeness aids firms to think outside the box, forging means of adapting to dynamic and unpredictable environment; and this has been an instrument towards performance booster for most firms above others (Miler 1983, Timmons and Spinel 2004 in Okpara, 2009). This has become evident in the development of new products for new or existing markets which could be seen as a measure of performance (Gunawan, Jacob and Duysters 2013). It is obvious that innovation is critical in supporting new “ideas and novelty” (Li, Huang and Tsai, 2009; in Madhoushi, Sadati, Delavari, Mehdivand and Mihandost 2011) and inspires thorough knowledge activities for discovering of new prospects.

2.4 Social Capital Theory

The emergence of the social capital theory has been argued to have been brought about by Karl Marx, whose classical theory explained social relations between the proletariat and bourgeoisie, down to Schultz whose human capital theory focused on the accumulation of surplus value by labourers to Bourdieu’s Cultural capital theory and then the Social Capital Theory of Lin, Burt, Marsden, Flap, Coleman, Putnam and Bourdieu.

In line with recurrent and independent theoretical review (Portes, 1998), which shows that the words “social capital” were used first by Pierre Bourdieu and the foundations herewith the theory stands were also brought to bear by Pierre Bourdieu, it is clear-cut that the social capital theory was propounded by Pierre Bourdieu in the year 1980. The theory was first explained in French and published in a paper titled “Actes de la RechercheenSciencesSociales”, it was not until 1985 that the theory was translated to English language, after which the theory gained wider acceptance. (Bourdieu 1985 in Portes 1998) defined the concept of social capital as the “aggregate of the actual or potential resources which are linked to possession of a durable network of more or less institutionalized relationships of mutual acquaintance or recognition”. This definition captures in absolute terms the tenets of this theory. It holds that social capital is linked to networks of relationships, with these relationships being of a human nature, where those that belong to the networks are provided with actual or potential resources, and where the network
doesn’t have to be so formal, but must be durable to provide for mutual acquaintance or recognition of some sort.

The assumptions of the theory are that social networks are not natural, but constructed; social capital is made up of social relationships and amount of resources accessible; these social resources are intangible and that it is network membership that creates social capital. More that social capitals are made of three elements that factors structure and action being structural (embeddedness), opportunity (accessibility), and action oriented (use).

The implications of this theory to the issue understudy hold that the ability to network portends the conscious or unconscious efforts at building social relationships amongst NASE members which is also targeted at benefitting from resources this relationship provides, which would enable these network members to start up whatever they want in the near future. This resource as spelt out is mostly intangible, which in this context could be the rub-off of entrepreneurial thinking or abilities known as development of entrepreneurial orientation like risk taking disposition, innovativeness, competitive aggressiveness, pro-activeness and autonomy. The theory is also related to this study, in that when students belong to a structure like NASE, opportunities abound like the motivation they derive from discussions, practical field trips, knowledge sharing and even being able to learn from the strength of synergism; with this level of knowledge, the theory further holds that the students would need to use the accessible benefits garnered to enhance their lives as it concerns starting up their own entrepreneurial ventures. The spin-offs of the actions taken by these students would futuristically portray them as entrepreneurs eventually, thereby exhibiting the risk taking disposition, innovation, pro-activeness, competitive aggressiveness and autonomy dimensions of entrepreneurship orientation.

3. Methodology

A correlational survey of 402 respondents being the students of the selected universities was conducted. The study used primary data that were generated via structured questionnaires that were administered on the selected students. Pearson Product Moment Correlation Coefficient (r) and other diagnostics such as Cronbach’s alpha, principal component analysis and Kaiser-Meyer-Olkin (KMO) and Bartlett’s test were employed in the hypothesis testing and analysis.
3.1 Data

**Table 1: Composite Data on Networking Ability**

<table>
<thead>
<tr>
<th></th>
<th>SA</th>
<th>A</th>
<th>U</th>
<th>D</th>
<th>SD</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>I spend a lot of time and effort at school networking with others</td>
<td>191</td>
<td>171</td>
<td>16</td>
<td>8</td>
<td>16</td>
<td>402</td>
</tr>
<tr>
<td>I am good at building relationships with influential people at school</td>
<td>56</td>
<td>255</td>
<td>71</td>
<td>3</td>
<td>17</td>
<td>402</td>
</tr>
<tr>
<td>I have developed a large network of colleagues and associates at school whom I can call on for support when I really need to get things done</td>
<td>99</td>
<td>222</td>
<td>59</td>
<td>13</td>
<td>9</td>
<td>402</td>
</tr>
<tr>
<td>At school, I know a lot of important people and am well connected</td>
<td>51</td>
<td>246</td>
<td>81</td>
<td>10</td>
<td>7</td>
<td>395</td>
</tr>
<tr>
<td>I spend a lot of time at school developing connections with others</td>
<td>34</td>
<td>81</td>
<td>170</td>
<td>15</td>
<td>93</td>
<td>393</td>
</tr>
<tr>
<td>I am good at using my connections and network to make things happen at school</td>
<td>234</td>
<td>91</td>
<td>46</td>
<td>17</td>
<td>14</td>
<td>402</td>
</tr>
</tbody>
</table>

The table above shows the compilation of responses on question items measuring the level of networking ability of NASE.

**Table 2: Composite Data on Innovativeness**

<table>
<thead>
<tr>
<th></th>
<th>SA</th>
<th>A</th>
<th>U</th>
<th>D</th>
<th>SD</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>In NASE, there is a very strong emphasis on research and development</td>
<td>202</td>
<td>200</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>402</td>
</tr>
<tr>
<td>In NASE, the use of technology takes prominence</td>
<td>113</td>
<td>177</td>
<td>63</td>
<td>31</td>
<td>18</td>
<td>402</td>
</tr>
<tr>
<td>In my opinion, NASE is not as creative in its methods of operation</td>
<td>110</td>
<td>209</td>
<td>7</td>
<td>53</td>
<td>23</td>
<td>402</td>
</tr>
<tr>
<td>NASE actively introduces improvements and innovations in the ways things are done during projects</td>
<td>96</td>
<td>232</td>
<td>17</td>
<td>42</td>
<td>15</td>
<td>402</td>
</tr>
</tbody>
</table>

**Source:** Author’s computation

The table above shows the compilation of responses on question items measuring the level of innovativeness of NASE.
4. Discussion

H₀: There is no significant relationship between networking ability and innovativeness of NASE in Universities in North Central Zone of Nigeria.

H₁: There is a significant relationship between networking ability and innovativeness of NASE in Universities in North Central Zone of Nigeria.

In line with the formulated hypothesis as stated above, the researcher developed question items to measure networking ability, and one of the other dimensions of entrepreneurial orientation which is innovativeness of students under the NASE umbrella. The question items developed for networking ability were 6, which loaded as a single construct during the Principal Component Analysis (PCA) test for factor loadings. It also had a 0.809 for the Kaiser-Meyer-Olkin (KMO) test for sampling adequacy, with a chi-square value of 2154.934; d.f=15 and p=0.000; this implies that the sample size used to derive the factorial loadings was adequate and the expected scale for measuring networking ability was met. Also, the PCA test explained above 50% of the total distribution; it actually explained 89.154%, which is very strong as well. The reliability of the scale was also very high as the Cronbach’s alpha coefficient accepted the 6 question items with a 0.871, which was well above the base line value of 0.5.

On the other hand, Innovativeness had four question items, which loaded as one of the 5 constructs for entrepreneurial orientation during the Principal Component Analysis (PCA) test for factor loadings; it was the fourth loading amongst the five. It also had a 0.696 for the Kaiser-Meyer-Olkin (KMO) test for sampling adequacy, with a chi-square value of 3682.917; d.f =136 and p=0.000; this also implies that the sample size used to derive the factorial loadings was adequate and the expected scale for measuring entrepreneurial orientation of which innovativeness was a part of. Also, the PCA test explained 74.226% of the total distribution, which is very strong as well. The reliability of the scale was also very high as the Cronbach’s alpha coefficient accepted the 4 question items with a 0.677, which was well above the base line value of 0.5.
### Table 3: Correlation Results

<table>
<thead>
<tr>
<th></th>
<th>Sum of all Networking Ability items</th>
<th>Sum of all Innovativeness items</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson Correlation</td>
<td>-0.069</td>
<td>-0.009</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>0.167</td>
<td>0.856</td>
</tr>
<tr>
<td>N</td>
<td>402</td>
<td>402</td>
</tr>
</tbody>
</table>

The aggregated sums of these question items being correlated produced a result of $r = 0.366$, $p < 0.05$, $n = 402$. The implication of this result is that with a $p$-value of less than 0.05 is that the null hypothesis would be rejected while the alternative hypothesis would be accepted. The alternative hypothesis states that: There is a significant relationship between networking ability and innovativeness of NASE in North Central Zone of Nigeria. With a positive correlation as shown above, the implication is that the level of NASE’s networking ability would positively improve their level of innovativeness. Innovativeness has been seen as an integral part of entrepreneurial orientation as it addresses an essential part of how groups take advantage of new opportunities, usually from the world of intuition and creativity (Rauch, Wiklund, Lumpkin and Frese, 2004). The result shows that NASE has enhanced innovativeness within the group as there is a high proclivity to depart from traditional ways or practices and rather open the mind to new methods of doing things, like an adoption of technology; which Baker and Sinkula, (2009) in Taylor (2013) opines is a collective effort and technology is capital intensive and also takes advantage of prompt information which is usually through building association and linkages. Various authors (Miller and Friesen, 1982; Kropp and Zolin, 2005; Mengue and Auh, 2006; and Li, 2012) in Taylor (2013) have also shown that to be creative and develop new ideas, individuals would require the support of others either in the same team or outside. This is in consonance with the findings of this study.

**5. Conclusion**

Having examined the relationship between networking ability and innovativeness, in line with the objective of the study, there is a strong positive and significant relationship between networking ability and innovativeness of NASE members. This implies that although the networking abilities of NASE relates to their innovations, this relationship is however weak; that
means as the networking ability of member of NASE is on the increase, the innovative abilities of the members are also on the increase although not to a very high extent. The above scenario suffices that both networking ability and innovativeness are positively correlated; it means that one does not rise without the other.

5.1 Recommendation

In line with the hypothesis, networking ability and activities must be emphasized, and if possible incorporated into the curriculum of higher institutions as it has been discovered to facilitate innovations and pro-activeness of members of NASE. These variables have been universally accepted as the bane of entrepreneurial orientation, therefore if the goal of moving Nigeria into an entrepreneurial nation must be achieved, then there is a call on teachers of entrepreneurship, mentors, role models, patrons and governments to not only encourage, but also to facilitate social networking activities amongst students in order to encourage innovativeness.

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