

An empirical analysis of impact of social networking on the performance of women entrepreneurs in North Eastern Nigeria.

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Abstract: This paper analyzed the role of social networks on the business performance of women entrepreneurs in Bauchi the study used a survey methods and a total of 240 women entrepreneurs were surveyed and logit regression model was used to estimate the impact of social network on their performance the finding shows that social network has positive impact on business performance. However, it was discovered that women in this region are not fully enjoying the benefits of social networking due to cultural and religious restrictions which limits their interactions with others consequently, they could not benefit from the enormous advantages associated with social networking it is then recommended that all the impediments to social networking of women entrepreneurs be soften to enable them have access to social network for business contacts and other relevant information. They should be a sort of understanding among families and spouses so that all necessary assistants be given to women entrepreneurs to have a conducive business environment to strive towards achieving their business target.

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I. INTRODUCTION

In some Nigeria's societies, women do not enjoy the same opportunities and prospects as men. In the transitional economies, progress has been achieved in opening doors to education and health protection for women, political and economic opportunities for female entrepreneurs have however remained limited Determined efforts are needed to enable women entrepreneurs make better economic choices and to transform their businesses into competitive enterprises, generating income and employment through improved production . Whether they are involved in small or medium scale production, activities or in the informal or formal sectors, women's entrepreneurial activities are not only a means for economic survival but also have positive social repercussions for women themselves, their families and the environment. World Bank, 2001).

Entrepreneurship represents an appropriate opportunity for women entrepreneurs all over the world, as entrepreneurship respond flexibly to entry, change and innovation. This potential has not yet been realized in an optimal manner in most developing countries. Nigeria is an example lacking most opportunities which can assist women entrepreneurship especially a large number of women work in the informal sector but their contributions is not included in national account.

II. STATEMENT OF THE PROBLEM

Trend in the growth of women engagement in entrepreneurial activity have shown that there is slight lower number of women world wide that have engaged in entrepreneurial activities as evidenced from the Global Entrepreneurship Monitor data which estimated that more than 187 million women are engaged in entrepreneurial activities (GEM,2012) On a global scale, men constituted 52% of all entrepreneurial activities while women made up 48% of the entrepreneurs. Women are not only less likely to start business, their businesses are also smaller and they have fewer staff and less growth expectations. Women have relatively lower revenues and earn less income from their businesses, they face challenges in growing their enterprises beyond start up level with a very high exit rates, some reasons given for high exit rate among women entrepreneurs include insufficient profit, denial from wider social networking and other personal reasons. Entrepreneurship like any other social and economic process is dependent on the social settings of an area, the people and the environment in which they carry out their daily life activities. As a process, entrepreneurship is governed by social and cultural factors that are characterized by frequent changes which are evolve in an economic system, the entrepreneurship environment and the underlying social and cultural attributes of the people in that particular area.

Women entrepreneurship has been appreciated as the new engine of growth. Women are now the rising stars of economic development who brings prosperity and welfare to their countries. Many stakeholders have

referred to them as an important untapped sources of economic growth and development (Miniti & Naude,2010).

The growth of the proportion of women entrepreneurs in developing countries catches the attention of both the academics and the development sectors. International, public institutions, national and local government and non- governmental organizations and the private sectors.. Hence there has been several programmes and policies to promote and develop women entrepreneurship, most of these programmes are aimed at building the capacity of entrepreneurial skills, strengthening women's networks, provides training or design policies that enables more stronger start-ups and business growth.

In the recent years, the general attention on women entrepreneurship in developing countries has increased to a great extent and the focus on this untapped source of growth is indispensable for economic practitioners and policy makers. Despite this growing number of initiatives and efforts geared towards the promotion and development of women entrepreneurship in Nigeria, women still own and manage fewer businesses than men, less income from the business which has slower rate of growth and susceptible to high rate of failure.

Many scholars have argued that inability to develop adequate stock of social network is a major challenge constraining the growth of women enterprises (Kelley et al,2010, Basargekar, 2011 and Tundui & Tundui, 2013). There exist limited studies that specifically measures social networks and women enterprises performance in Nigeria.

Objective of the study

This paper examined the impact of social networks on women entrepreneurship in Nigeria. Social network as measured in line with Allen, (2000), Olomola, (2002) and Khan et al,(2013). This emphasized on group membership and group size bonding.

III. LITERATURE REVIEW

There are diverse views or opinion among scholars on the definition of social networks however, it is seen as the connections among individuals and the norms and trust that arise from that relationship. (Putman,2000). Westlund and Bolton (2003). Perceived social networks as an aggregate of norms, networks and social ties of individuals that make them work together to accomplish a common goal and mutual benefits.

Social net work consist of informal networks, families, relatives, friends and acquaintances and formal business networks such as customers, distributors, suppliers, competitors and Government (Gunto & Allias,2014)..

Social networks theory (Portes 1990) states that the social net is the ability of group members to receive economic benefits from social networks and gain access to resources that influence their social interaction as they relates with other group members. This theory was originally developed by Bourdie (1985) expatiated by Coleman (1990) and refined by Portes (1998). Bourdie emphasized on group member's ability to access actual or potential resources such as information from social networks. Coleman (1990) emphasized on the role of social network consisting of different entities like school structure to create human capital (education) for better achievement .Koka & Prescott(2002) defined social network in terms of information diversity,information value and information richness. Social network could serve as good training model for improving women's business performance and help in product marketing because network members could be the first customers and suppliers (Kim & Sherraden, 2014, Kotler 2010). This is due to the unique characteristics of the resources within the networks.

Tata and Prasad (2008) found out that necessary information and resources provided by the network through collaborative exchange led to women enterprise performance. In USA as such social network could realized such benefits through increased collaboration and better communication (Hassan & Mugambi, 2013).

Measures of social networks

Different measures have been developed for social networks generally, from the classical to the contemporary scholars for instance, Nahapiet & ghoshal (1998) measured social networks in 3 dimensional domains such as structural cognitive and relational dimensions. Seibert et al (2001) looked at social networks in terms of resource approach which showed the nature of resources embedded within a network.

Tata & Prasad (2008), Wu,(2008) Khan et al,(2013), Kim & Sherraden, (2014). Have dwelled more on the structural dimension of social networks on enterprise performance. In terms of group characteristics and dynamics such as network diversity, density composition, size and relationship strength. This study examined effects of social network on women enterprise performance, in line with Tata & Prasad,2008) in terms of network diversity, size and strength relation.

Network diversity

This means the number of social group and individual belongs to. An entrepreneur that belong to diverse social group like the family, work group, community association and religious group has wide network range. Although men seems to have wider network diversity but lower networks ties than women. This wider network helped them to access credit and market information faster than women. (Allen, 2001, Tata & Prasad, 2008).

Network size

This has to do with the members in a social group and the smaller the number, the stronger the network ties. Women entrepreneurs normally form single gender groups due to demographic and cultural constraint such as educational levels and tradition and religion.

In Nigeria, the business performance and growth expectations of women are smaller with fewer staff they have the challenges of growing the business beyond start up with a very high exit rates and some reasons given for this is that of insufficient profitability, burden of family responsibilities and denial from wider social networking (GEM, 2010).

A gender sensitive multilevel analysis of women entrepreneurship sheds light on the importance of social networks. It is commonly agreed that both male and female entrepreneurs rely on role models and social networks for information and access to resources. A strong positive and significant correlation exist between knowledge of another entrepreneur and a person's involvement in starting a new business or growing an existing business (Miniti, 2010).

Women have in general a lower social position than men, which affects the kind of networks they can access or are part of. There is evidence to prove that women are less involved in networks than men are, and their type of network is different. For business it is as important to have weak-tie networks as strong-ties. The strong and personal networks that women traditionally engage in are well suited to purposes linked to the family related tasks that may prove to be a hindrance in the marketplace (Isiodore & Norsiah, 2015). Thus, women differ to men in the kind of networks they use and in the social capital available to them through the network. Women have therefore less access to critical resources, support and information needed to successfully start and manage a new firm compared to men.

There are lots of evidences to suggest that women's networks are important but often not yet very helpful for business growth or strong start ups due to their limited size, accessibility and quality. (Aidis, Smallbone and Welter, 2007). Were of the view that, it is the reflection of women's assumed gender role in the household and society at large, because women hold a certain position in society this affects their ability and willingness to use household resources for entrepreneurial activities and their access to formal and informal networks.

Why then is the social position so important? The person's social position determines and is determined by the social networks she has access to. Social networks are both *structures* and *processes*; structures that describe how individuals are connected to each other and processes describing the interaction between the individuals in the network (Larson & Starr, 1993). The role of networks is that of providers of information, possibilities and support. The network structure is defined by the information and resources that are available, but also by the interpersonal structures mediating the information and the resources. The importance of the entrepreneur's social network structure has been increasingly acknowledged as one of the most important factors explaining the creation and the success of a new venture. The significance of the social network in entrepreneurship rests on the fact that interpersonal interaction differs both quantitatively and qualitatively everywhere (Aldrich *et al.*, 1986b; Johannisson, 1988. Moreover, networks are important because people's actions are shaped by their social context, consisting of the system of individuals with whom they interact.

Research has shown the importance of social support through role models and close private relationships with people in the small business community (Hansen, 1995; Matthews & Moser, 1995) and through case studies has tried to describe the process leading to new venture creation (Birley, 1985; Hansen, 1995; Lars. Hence, the individual's network provides the emotional support, social persuasion and vicarious experience, which are central to whether or not a person engages in entrepreneurship and does so successfully. For example, some of the most important impacts of the social network are the socialization process, the ability to practice and observe small business activities at close range and the provision of positive (or negative) role models with regard to entrepreneurial behaviour. These can serve to strengthen the sense of self-confidence in behaviours related to the entrepreneurial domain. Furthermore, the social network provides different useful resources for both the aspiring and practicing entrepreneur in the form of instrumental and financial assistance; such as experience, know-how, encouragement, financing and idea generation.

Aidis, Welter, Smallbone and Isakova,(2007) found evidence that access to network is a huge struggle for women entrepreneurs because women have fewer contacts and besides that fact that women business networks are still limited in size, these networks remain relatively powerless as women are underrepresented at Social network theory has as its objective to explain how status is attained in society or how social capital can be utilized to achieve personal goals (Adler & Kwon, 2002; Lin, 1999). The process by which individuals mobilize and invest resources defines status attainment. There are two important types of resources here: (i) personal resources possessed by the individual which he or she is free to use and (ii) social resources, which are accessible through one's direct and indirect network ties. Together they form a person's social capital, *i.e.*, the sum of resources accessible to a person directly through strong ties and indirectly through weak ties.

From the theory, two processes determine the relationship between the status attainment of an individual (*e.g.* succeeding in becoming an entrepreneur) and his or her social resources. The first process focuses on the *access* to social capital. The individual's human capital (experience, education), initial position (parental status, prior jobs) and the individual's social ties (*e.g.* extent of ties) are supposed to determine the extent of the resource available to the individual through his or her network. The second process focuses on the *mobilization* of the social capital in the process of status attainment, an entrepreneur; require the use of social contacts and the resources provided by the network. The combination of access to social capital and the willingness to mobilize those resources will determine the status of the individual in the society.

Empirical literature

Social network has been found to affect business performance Mohammed et al, 1997 measured social networks on women entrepreneurs business performance in Malaysia and found positive impact, Chan & Foster, 2001 found out that reliance on bonding social networks had significant positive influence on women enterprise performance in Hong Kong, Tundui & Tundui, 2013 found a positive relationship between social networks and performance of women enterprise in Tanzania However, Olomola,2002, Mkpado & Arene, 2007). Found no significant impact of social networks on performance in Nigeria.

IV. METHODOLOGY

This paper used a qualitative methodology; the aim of choosing qualitative methodology is to try to better understand the phenomenon under investigation data the primary data was obtained from the women entrepreneurs in Bauchi state, through the use of questionnaire designed by the researcher it was composed of both open ended and close ended questions this questionnaire was administered to the sampled respondents with the help of three research assistants drawn from three tribes in Bauchi state. This study adopted the model used by Tundui,(2012, Mordi and Okafor (2010) and Maziku et al (2014) This model is given by:

$$Y_i = \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \dots + \beta_n X_n + \mu$$

The adopted model is specified as $Y_i = \beta_1 + \beta_2 x_i + \epsilon$

The choice of using this model was influenced by the fact that the data for this study is qualitative and that the regressand, or the dependent variable which is women entrepreneurs performance denoted by (y) reflect a choice between two alternatives, which in this case are 0 and 1, whereas the explanatory variables are qualitative (dummy) , If the socio cultural factors has encouraged good performance , then the dependent variable assumes 1 but if otherwise then 0.

Data collected from the field was organized and analyzed using descriptive statistics comprising of frequency and percentages. The data collected are estimated using binary choice model(logit model) to establish the relationship between social net works and performance of women entrepreneurs.'

V. RESULT AND DISCUSSION OF FINDINGS

Effects of Socio-Cultural and Economic Factors on Performance

variable	Coefficient	Std Errors	Z stat.	P > Z
M status	- 0 . 1 9 5	0 . 2 2 9	- 0 . 8 5	0 . 3 9 3
s o c n w k	0 . 1 8 0	0 . 1 5 7	1 . 1 5	0 . 2 5 0
i m m o b	- 0 . 1 6 0	0 . 1 6 8	- 0 . 9 5	0 . 3 4 0
I n f r a s t	0 . 4 4 5	0 . 1 5 7	0 . 2 8	0 . 7 7 8
F a m r e s	- 0 . 2 3 3	0 . 1 8 0	- 1 . 2 9	0 . 1 4 0
Psed R2=0.019	H . L S t a t = 1 4 . 5 3 6			
	Andrews Stat= 36.3687			

Source: researcher's computation from the sample data using stata 11.

Findings

From the data collected and analyzed on the impact of socio-cultural factors on performance of women entrepreneurs in Bauchi state . social networks was found to have a significant positive (0,180) impact on performance it means there is a positive relationship between social networks available to the entrepreneurs and the business success such that it account for 18% of the success in business. Despite the fact that social networks is an important success factor in business women entrepreneurs are challenged in this aspect they lamented that their social network is weak due to rigid cultural practices in the society. they are not socially connected and as such they lack business information and other benefits that is associated with social networks.

Conclusion

This paper concludes that women entrepreneurs need social networks to get access to information and other resources such as professional advice and avenue to customers.

Recommendations

All the cultural and religious restriction be soften to allow women enjoy the advantages that good social network accord to entrepreneurs..

Women should also strengthen their social group in their communities especially business association in order to access business information and other necessary resources for better business performance.

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