

Tropentag, September 18-21, 2016, Vienna, Austria

"Solidarity in a competing world fair use of resources"

The Formation of Organisational Networks in Emerging Economy: The Case of Agribusiness Incubators

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Abstract

Business incubators are mechanisms for promoting and supporting entrepreneurship, creating jobs opportunities, and giving rise to small and medium enterprises. The literature on incubation has shown that focus has shifted from a real estate provision to network access and resources provision. Although, scholars have identified the positive effect of networks on obtaining access to resources and for creating an enabling environment for future incubated enterprises, the business incubator literature rarely addresses social aspect at the incubator level. The purpose of this multiple-case study is to shed light on the process of network use and development during the initial phase of establishing four tripartite agribusiness incubators encompassing three major types of partners: universities, research organisations and private companies. We employ qualitative and quantitative data from Kenya, Uganda, and Zambia. Our findings illustrate that partners rely on previous relationships that they formalize when engaging in the incubators partnerships. Drawing on the social network theory, our findings show that partners of the business incubator draw on their social capital to establish the organisational network. The degree of partner's embeddedness in various organisational settings increase the diversity of contacts integrated into the incubator networks which will be used as potential resources for the incubated firms. In terms of the relational content, the partners of incubators have a tendency to consider ties as business, although the content can be different. The strengthening of relations is based on relationship formalisation and frequency of interaction. The study highlights the need to modify methodological approaches according to the cultural and institutional context in which they are used.

 ${\bf Keywords:}$ Business incubator, partners, relational content & strength, resource-acquisition, social networks

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