

The Formation of Organizational Networks in Emerging Economy: the Case of Agribusiness Incubators

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Introduction and Aim

- The role of the Business Incubator → a broker to facilitate the process of interlinking incubated enterprises with internal and external partners
 - Scholars identified the positive effect of networks on obtaining access to resources and for creating an enabling environment for future incubated enterprises → the role of *networks and networking* has not yet been sufficiently addressed
 - Previous research has underestimated the benefits of networking activities provided to business incubators, since mainly the incubator manager perspective have been taken into account
 - Scholars have pointed out the need for more scientific research to understand *the role of networks and networking in business incubators*
 - While attention has been devoted to networks and their critical importance for the success of the incubator → less attention has been focused on how the networks are established, shaped and provided at the incubator level management
- We investigate the *organizational network* formation during the establishment of an incubator by asking the following **research questions**:
- How is the internal network established among partners of the tripartite business incubator?
 - How is the inter-organizational network established based on partners' subnetworks?

Methods

- Research design : A cross-sectional descriptive multiple-case study
- Semi-structured interviews (10 Individual + 5 Group interviews) & Networking survey (15)
- Secondary data (incubators' business plans and 4 consortium agreements)

SSI design and analysis (10 Individual + 5 Group interviews Face to face interviews)

- Topics: prior relations among public and private partners; type of connections (ties); the process of the partnership formation; challenges faced; organizational configuration, and formalization and registration of the Business incubator)
- The interviews lasted 1½-2 hours (recorded & transcribed)
 - Data analysis supported by NVivo10 software and based on **open coding**

Survey design and analysis 15 questionnaires → addressed the incubator network formation

- The questionnaire design → a *free recall format*
- Unit of analysis** → main representatives from university, research organization and private business
- The structural data analyzed → *ego-centered level*
- Two-mode network matrices are constructed & exported to UCINET Sociograms elaborated using the Netdraw
- Network size & diversity of relations measured

Literature review

Social network theory

Constructs of the theory

Relational Content (Business, Friendship, Advice-based...)

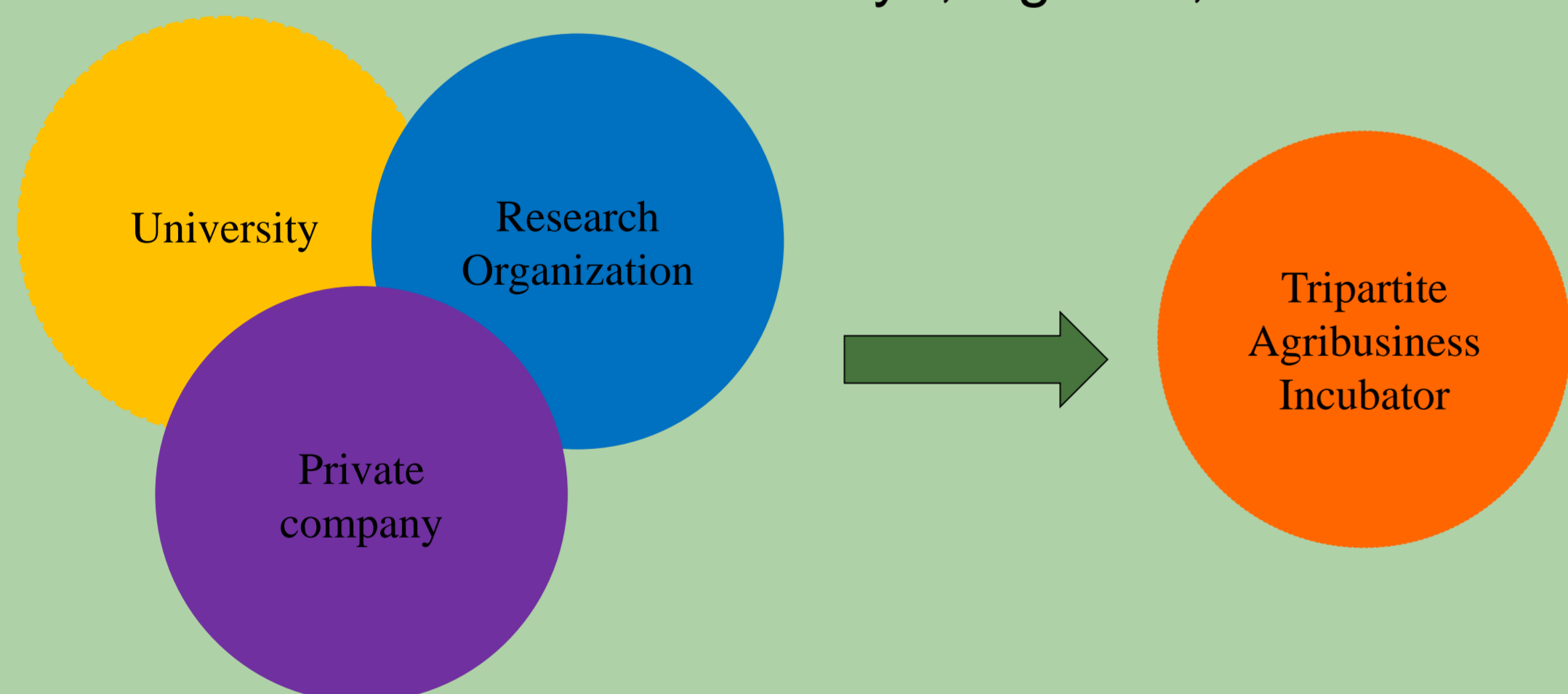
Relational Form → Strength of relational / Frequency of contacts

Actor's Central position/ Prominence

Network size/ Diversity of Relations

Case study

4 cases in 3 African countries: Kenya, Uganda, Zambia



Conclusions

- This study contributes to business incubator management literature in general and particular for the developing country context
- Empirical studies are sparse & this study represents one of the first attempts to fill this gap in the literature since the business incubator concept in increasingly being translated, adopted, and implemented in the African contexts
- This study highlights the need to modify methodological approaches according to the cultural and institutional context in which they are used

Results

- The internal networking of BI** is largely based on *embeddedness of partners* in their social network with already known actors

- University partners turn to people based on previously & current relationships. Previous informal relations among partners became formalized when the business incubator was established

Proposition 1: Incubator partners depend on strong ties during the creation and implementation of a business incubation program

- Concerning **relational form**, results show that partners rely heavily on **strong ties**
- Empirical evidence reveals **uniformity** in terms of **relational content**. Majority of linkages that partners expect to draw on are identified as '*business*' ties

- Partners considered strength of relations based on prior contractual agreement, current MoUs, joint projects, previous collaborations, & group membership

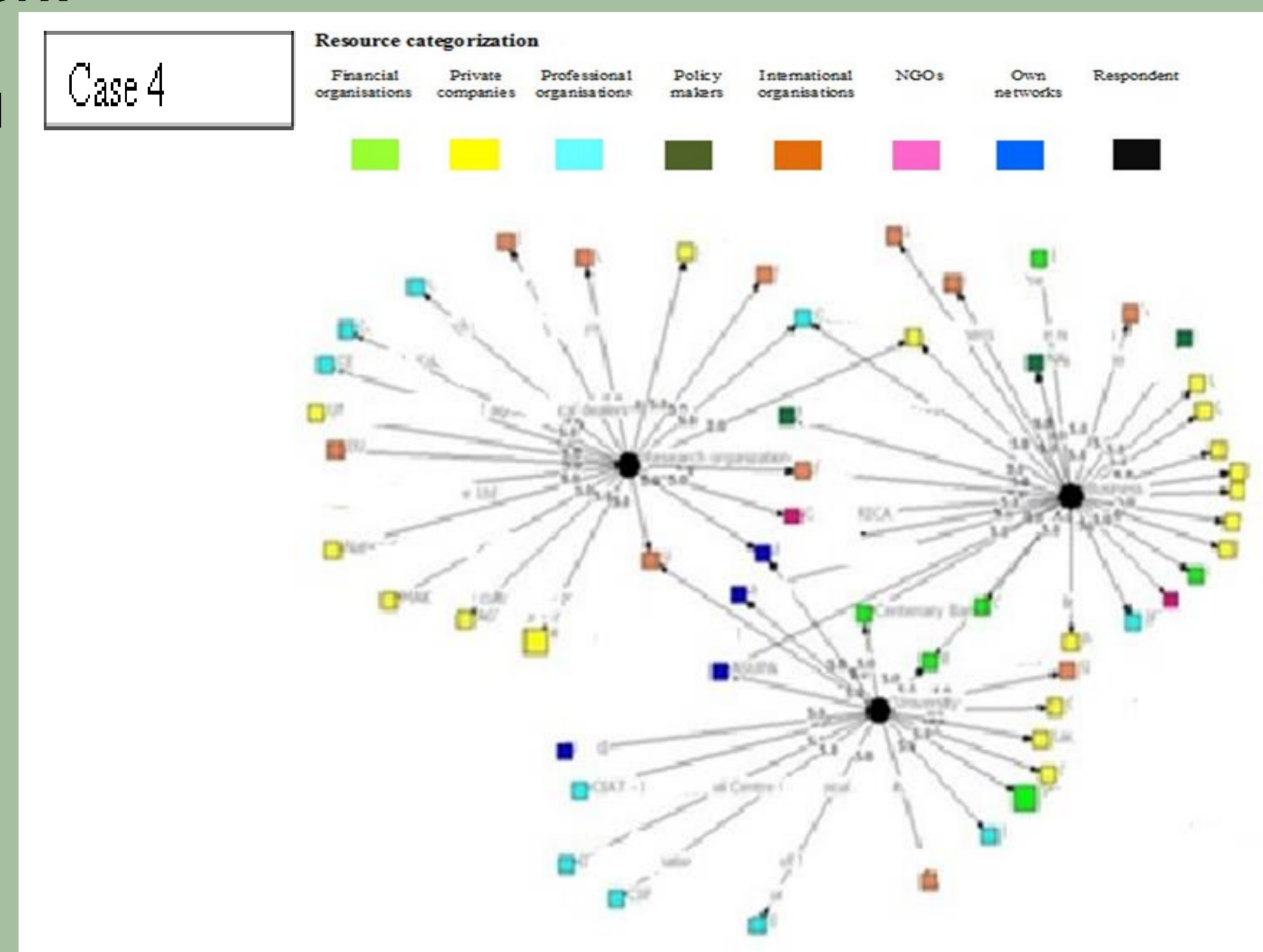
- Tie strength** is not simply related to intimacy that partners of the incubator have with family and friends, but also with other types of ties such as business, advice and professional ties →

Proposition 2: The strength of the ties does not depend on the type of the relations that partners of incubator possess

Inter-organizational network

- Partners draw on their social network as the basis of the creation of the BI's inter-organizational networks

Proposition 3: Incubator partners will serve as focal nodes and they will facilitate the creation of inter-organizational network by activating their social networks

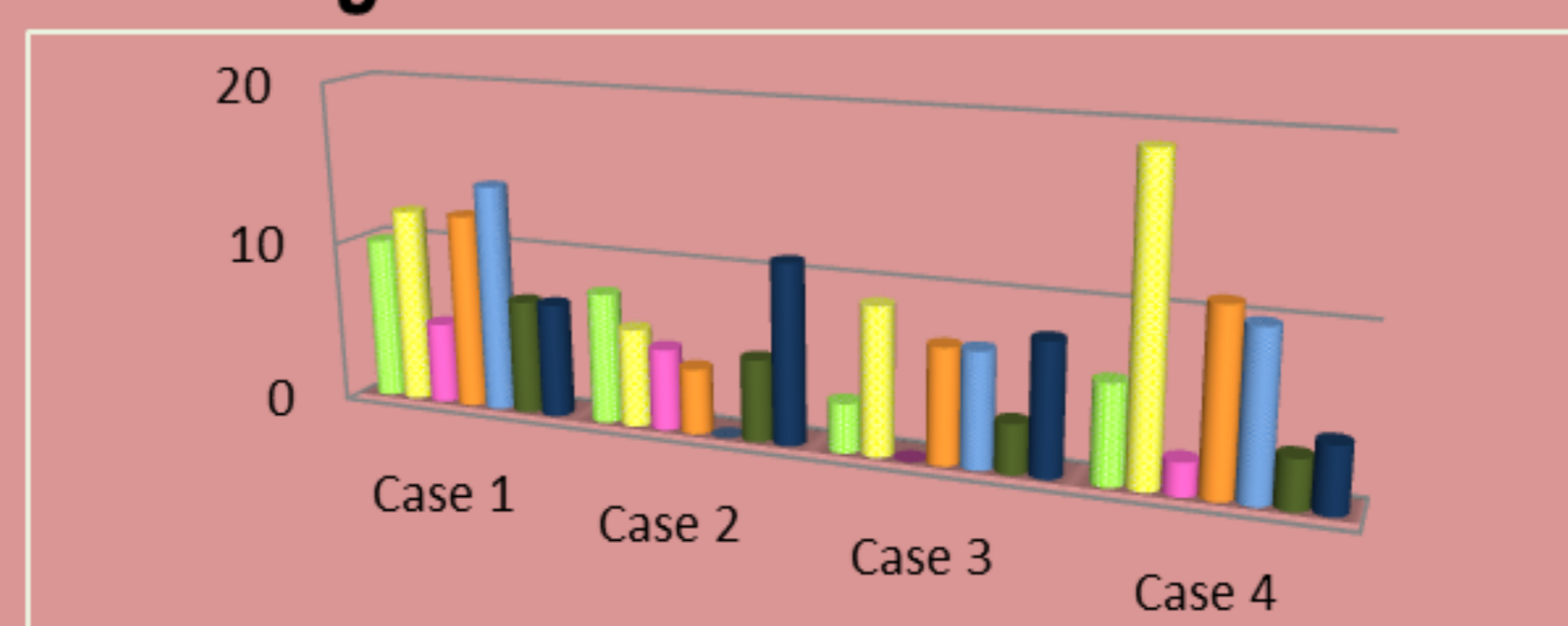


Results show minor differences among partners in the number of ties they contribute to the partnerships
It becomes difficult for any of the partners to claim a central position by virtue

The compositions of the partnerships results in balanced networks

Proposition 4: Given the partnership setup, there will be no prominent actor in the business incubator network

Interorganizational network- resources



- Financial institution
- NGO
- Professional organisations
- Own network
- Private Companies
- International organisations
- Policy-makers