

6-11-2011

THE ROLE OF NETWORK OVERLOAD IN THE COMMERCIALIZATION PROCESS (SUMMARY)

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Recommended Citation

Noble, David and Elfring, Tom (2011) "THE ROLE OF NETWORK OVERLOAD IN THE COMMERCIALIZATION PROCESS (SUMMARY)," *Frontiers of Entrepreneurship Research*: Vol. 31: Iss. 7, Article 5.

Available at: <http://digitalknowledge.babson.edu/fer/vol31/iss7/5>

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≈ SUMMARY ≈

**THE ROLE OF NETWORK OVERLOAD IN THE
COMMERCIALIZATION PROCESS**

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Principal Topic

Social network research has become a significant part of the entrepreneurship literature (Bartajagal, 2003; Birley, 1985; Kim & Aldrich, 2005; Stam & Elfring, 2008). The negative consequences of social networks and networking need to be considered to more fully understand their impact on the entrepreneurial process (Gargiulo & Benassi, 1999, 2000; Elfring & Hulsink, 2007). We add to the field by exploring one possible negative effect of social networks, network overload, by further developing the construct and validating a measure. Network overload was first introduced to the social network literature by Steier and Greenwood (2000), but has not been followed up on in a manner that elucidates its role in the entrepreneurial process.

We define network overload as the feeling that responsibilities created through interactions with one's social network becomes overwhelming, and begins to impact the ability of ego to perform other necessary actions because of these responsibilities. This feeling may result from the entrepreneur's lack of skill in networking, i.e. some people are more natural networkers than others, or their inability to pull resources out of the network.

Method

We test a number of hypotheses whereby network overload has a mediating effect between social network variables and a commercialization the entrepreneur's innovative good or service. It is expected that as an entrepreneur demonstrates more efficient use of their network through reduced ratios that the effect of network overload on commercialization success will be reduced. The lead author has used various methods to both develop a theoretical framework and test hypotheses, including participatory observation, directed interviews, and quantified data collection through surveys.

We have collected data from 70 founders of ventures located in a for-profit entrepreneurial community which is part of the MIT entrepreneurial ecosystem. The network overload variable was constructed and tested for validity and reliability using a sample of entrepreneurs located in business incubators throughout the southeastern United States and with graduate and advanced undergraduate students participating in a new business development project.

Results and Implications

The development of a new construct and measure, network overload, which is able to push the boundaries of existing theory surrounding the impact of social networks on the entrepreneurial process and the examination of social network aspects of entrepreneurship in an understudied part of the entrepreneurial process, innovation commercialization, are both significant theoretical contributions.

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