SOCIAL NETWORK STRUCTURES OF NASCENT ENTREPRENEURS: A STUDY OF ADVISOR NETWORKS IN THE GEM CROSS-COUNTRY DATA (SUMMARY)

Sarfraz Mian
State University of New York, Oswego, USA, mian@oswego.edu

M. Shahid Qureshi
IBA-Karachi, Pakistan

Recommended Citation
Available at: https://digitalknowledge.babson.edu/fer/vol34/iss7/4
SOCIAL NETWORK STRUCTURES OF NASCENT ENTREPRENEURS:
A STUDY OF ADVISOR NETWORKS IN THE GEM CROSS-COUNTRY DATA

Sarfraz A. Mian, State University of New York, Oswego, USA
M. Shahid Qureshi, IBA-Karachi, Pakistan

Principal Topic

The network approach to study how nascent entrepreneurs leverage them to shape their entrepreneurial intentions and get advice and resources to launch businesses is gaining scholarly attention. However, the potential role networking plays for supporting these entrepreneurs remain under-researched in different socio-economic and cultural settings. Additionally, we do not fully know how the network support changes with each phase of the business development continuum -prospecting, startup, and operating. To fill this gap, we seek to investigate how nascent entrepreneurs from various world regions with differing levels of development draw on various types of advisor networks during their business development phases.

Method

A data-set from the records of the past 3 annual (2009-11) Global Entrepreneurship Monitor (GEM) studies of 15 diverse nations were employed. The data defines the composition of the advisor networks surrounding entrepreneurs into 5 separate environments: private, work, professional, market and international. From the 44, 334 adults surveyed, 13,212 self-selected themselves as entrepreneurs in one of 3 stages of the entrepreneurial process; prospecting, start-up and operating. We submitted the adviser percentages to Ward's (hierarchical) algorithm, which produces clusters whose centroids differ maximally based on minimum within-cluster variance. Finally, we examined the mean scores on the GEM national socioeconomic framework variables to establish the links between the clusters and the country cultural and economic characteristics.

Results and Implications

Our results show that the countries in these network clusters corresponded to a well-known economic typology: factor, efficiency, and innovative economy driven nations. While the construct of entrepreneurial networks has yet to be clearly defined and universally accepted, the search of a small set of homogeneous clusters of individuals and the varying multi-country profiles appear to be a promising contribution to our understanding of such network types. These country-level adviser networks, while relatively weak constructs, are obviously linked to the framework variables, suggesting that the clusters are valid and are linked to collective economic and cultural variations of nations.

CONTACT: Sarfraz Mian; mian@oswego.edu; (T) 315-312-3154; (F) 315-312-5440; School of Business, State University of New York, Oswego. NY 13126, USA.

1 http://www.gemconsortium.org/
2 The 15 nations included in the study are Algeria, Denmark, Egypt, Iran, Jordan, Lebanon, Morocco, Pakistan, Palestine, Saudi Arabia, Syria, Tunisia, Turkey, UAE, and Yemen.