

# The Mediating Role of SNN and its Antecedents and Consequences

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## Abstract

Entrepreneurs are the backbone for economic development and employment generation. Entrepreneurs use social networking extensively for developing social contacts and acquiring financial, managerial, and technical resources. UAE after the real estate bust has made deliberate efforts to make the country a hub for entrepreneurs and foreign investment. This study has examined the effect of human resources, moral support and global presence on social networking and the effect of social networking on generated ideas and business operations. Moreover, the study has also examined the mediating role of social networking on generated ideas and business operations. The questionnaire for the study was adapted from earlier studies. The sample size for the study was 193 entrepreneurs of UAE. Smart PLS 3 was used for data analysis. We have developed five direct and six indirect hypotheses. The findings are consistent with earlier studies. We found that human resource, global presence, and moral support effect social networking. Also, social networking indirectly affects idea generation and business operations. Implications for managers were drawn from the results that may help entrepreneurs to be more efficient and effective in their business ventures.

**Keywords:** *Entrepreneurship, UAE, social networking, idea generation, human resource, moral support, business operation.*

## Introduction

Most countries encourage and assist entrepreneurs to start their business ventures as it significantly contributes towards economic growth and generates employment (Dahlqvist, Davidsson & Wiklund, 2000; Shane & Venkataraman, 2000). Entrepreneurship in broad terms

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is a process of launching a business venture. The success of a business venture depends on the entrepreneur's resilience, attitude, and behavior (Temtime, Chinyoka & Shunda, 2004). Researchers acknowledge that entrepreneurs during the start-up phase are short of technical, marketing, financial and managerial resources, which they can acquire through social networking (Boer, 1992; Johannisson & Monsted, 1997). Thus, social networking and communications are important elements of entrepreneurial activity (Martin & Staines, 1994). Many entrepreneurs use social networking for developing social contacts in the global market, which helps them to find foreign collaborative partners. Montealegre (2002) believes that building a strong social network is a tedious process and it is established over some time.

UAE after the real estate bust has made deliberate efforts to make the country a hub for entrepreneurs and foreign investment. Some of the avenues for future investments in Dubai are Dubai media city, Dubai internet city and the tourism industry. UAE has attracted expatriates from almost every country of the world and 88.5% of it's population comprises foreign nationals (National Bureau of Statistics, 2010). Most key positions in government departments are filled by local Emiratis or by Arabs from GCC countries. Furthermore, as part of the Emiratisation program, all companies are required to hire a certain number of local Emiratis (Kartik, 2010). These regulations may discourage entrepreneurs to invest in UAE.

Given the aforesaid discussion, this study examines the effect of human resources, moral support and global presence on social networking, and the effect of social networking on generated ideas and business operations. Moreover, the study also examines the mediating role of social networking on generated ideas and business operations.

## **Literature Review**

An entrepreneur's social-networking comprises of his/her social, personal, and business contacts (Castilla, Hokyu, Granovetter, & Granovetter, 2000). Social networking provides support to entrepreneurs during all stages of the business cycle (Hansen, 1995; Kaufmann et al., 2003). The social networking of entrepreneurs has two stages which are fundamental and secondary. The fundamental networking stage refers to the contacts that an entrepreneur develops before the start of entrepreneurial activity. The secondary networking stage refers to the contacts that an entrepreneur develops during the entrepreneurial activity (Weerawardena & Mort, 2006). Johannisson and Mønsted (1990) stress that the success or failure of an entrepreneur depends on the size and quality of relationships he/she builds during the social networking process. Similarly, Hills et al., (1997) argue that the entrepreneurs who develop an extensive social network and are capable to capitalize from the developed contacts have higher chances of success.

## Hypothesis Development

The following sections contain the theoretical support for the five direct hypotheses and six indirect hypotheses.

### Human Resources and Social Networking

Entrepreneurs generally have business ideas but they do not have resources, which they acquire from others (Ferdousi, 2015). Social networking is considered as an important avenue for entrepreneurs to acquire resources from others. Besides financial and other resources an important facet in SMEs is human resources. Acquiring, retaining and developing human resources through conventional channels is not efficient (Standing & Mattsson, 2018). Thus, many studies have concluded that the human resources department in many organizations uses social media extensively for building a strong brand image and reputation. This concept, also, known as employer branding has multiple advantages (Cabrera & Mauricio, 2017). It makes organizations more attractive to prospective employees. It also aligns the social values of employees and organizations (Van-der-Zwan et.al, 2016). Given this alignment, employees develop a sustainable relationship with the organizations. Countries like UAE do not have sufficient talented employees. Thus, entrepreneurs in such countries need to contact talented workers from other countries for which social media is an efficient and effective tool.

*H1: Human resources and social networking are positively associated.*

### Global Presence and Social Networking

Globalization provides opportunities for organizations to develop a collaborative arrangement with foreign organizations (Achrol & Kotler, 2016). The collaborative arrangements of small and medium-sized enterprises can be horizontal and vertical. Generally, the key members of an organization through social media initiate collaborative arrangements (Bikhchandani, Hirshleifer & Welch, 1992; Devenow & Welch, 1996).

SMEs before making a collaborative arrangement with SMEs of other countries examine their culture and rules and regulations (Sulistyo, 2016). The culture and legislations of Arab countries are different than Western countries due to which they avoid making legal contracts with SMEs of Arab countries. However, they initially develop an informal understanding with SMEs of Arab countries. Subsequently, this informal cooperation leads to formal collaboration (Wathne & Heide, 2004). Similarly, many studies have documented that informal understanding and cooperation leads towards formal collaborative arrangements (Hisrich, 2012; Glückler, 2006).

*H2: Global presence of firms and social networks are positively associated.*

## Moral Support and Social Networking

Entrepreneurs due to limited resources and other challenges become emotionally exhausted and need moral support from friends, peers, and employees. Social networking helps in relieving their stress (Brüderl & Preisendörfer, 1998; Powell & Smith-Doerr, 1994). Similarly, many studies have documented that social circle of entrepreneurs provide emotional and moral support to entrepreneurs and enhance their self-confidence (Kantis, Angelelli, & Koenig, 1994; Foxall, 1997). Past studies suggest that entrepreneurs who receive emotional support from their family and friends are more successful in their business ventures in comparison to those who do not receive such support (Brüderl & Preisendörfer, 1998). Most individuals have a built-in capacity to absorb the emotional stress. However, entrepreneurs who have developed social relationships with others are in a better position to absorb such stress and emotional exhaustion.

*H3: Moral support and social networking are positively associated.*

## Social Networking and Idea Generation

The success of a new or existing venture depends on the quality of products and innovative business ideas (Audretsch, 2007). It has also been documented that entrepreneurs get innovative business ideas while interacting with others through social media (Audretsch, 2007). Subsequently, entrepreneurs need resources to convert the business idea into marketable products, which they acquire through social media (Perry-Smith, 2006, Fleming et al., 2007). Similarly, Rodan & Galunic (2004) suggest that entrepreneurs who have a large social network are more likely to develop innovative ideas in comparison to those who have a small social network. It has also been argued that knowledge is not a universal scientific truth but it can be acquired through social interactions and sharing of ideas (Gore & Gore, 1999).

*H4: Social networking and idea generation are positively associated.*

## Social Networking and Business Operations

Entrepreneurs, especially, during the start-up stage face numerous financial, managerial and technical problems. The entrepreneurs' social network up to some extent may help them to overcome these challenges (Raijman & Tienda, 2000). For example, entrepreneurs can use their social contacts for obtaining easy credit and financing facilities (Peterson & Shulman, 1987). In certain economies, obtaining licenses and meeting other legal formalities are difficult, which an entrepreneur can overcome with the social contacts developed through social networking (Djankov et al., 2002). From a social perspective, the success of entrepreneurs depends on the ability to be creative and to influence others. Social media helps in achieving both (Gibb, 1997).

*H5: Social networking and business operations are positively associated.*

## **Human Resources, Social Networking, and Idea Generation**

Human resources are an important asset of an organization. Development and retention of employees through conventional human resource practices are expensive, especially, for new entrepreneurs (Hisrich, 2012). Given these constraints, many studies have suggested that social networking provides a cheaper and efficient forum for interacting and attracting talented employees across the world (Lindgren, & Packendorff, 2009). In view of its importance human resource management, besides conventional HR practices is expected to build the company's brand reputation through extensive and efficient use of social networking. UAE is a small country with a limited number of talented workforce due to which entrepreneurs in the UAE have to attract talent workforce across the world.

Social media has profoundly changed how individuals work, interact and socialize. Many employees interact and share information within and outside the organization through social media (Chamorro-Premuzic, Rinaldi, Akhtara, & Ahmetoglu, 2014). This exchange promotes innovative ideas that a firm can use for developing and marketing new and innovative products (Chamorro-Premuzic, Rinaldi, Akhtara, & Ahmetoglu, 2014). It has also been concluded that blogs and social networks help in reaching and interacting with a large audience (Cruickshank & Fenner, 2012).

*H6: Social networking mediates the association between human resources and innovative ideas.*

## **Global Presence, Social Networking, and Idea Generation**

Globalization provides an opportunity for entrepreneurs to develop formal and informal collaboration with other entities of foreign countries (Soriano & Dobon, 2009). SMEs before making a collaborative arrangement with the SMEs of other countries examine their culture and rules and regulations (Abdelzaher & Abdelzaher, 2017). The culture and legislations of Arab countries are different from Western countries due to which they avoid making legal contracts with the SMEs of Arab countries. However, they initially develop an understanding of informal cooperation with SMEs of Arab countries. Subsequently, this informal cooperation may lead to formal collaboration (Wathne & Heide, 2004). Similarly, many studies have documented that most of the informal understanding and cooperation leads toward formal collaborative arrangements (Hisrich, 2012; Glückler, 2006).

Social media has become an important marketing tool for many organizations. It has been argued that in the future it will be "an indispensable tool for innovative management". Most employees use social media to access different sources of knowledge. This promotes

unconventional thinking, problem-solving and innovative ideas. Many studies have concluded that individuals who use social media for accessing diverse knowledge develop creative thinking (Luo, Zhou & Liu, 2005; Williams, 2007). Thus, it has been suggested that firms should encourage their employees to use social media as it promotes innovative thinking (Luo, Zhou & Liu, 2005).

*H7: Social networking mediates the association between global presence and idea generation.*

## **Moral Support, Social Networking, and Idea Generation**

Past studies suggest that entrepreneurs who receive emotional support from their family and friends are more successful in their business ventures in comparison to those who do not receive such support (Brüderl & Preisendörfer, 1998). Most individuals have a built-in capacity to absorb stress and emotional exhaustion. However, individuals who have developed social relationships with others are in a better position to absorb stress and emotional exhaustion.

Successful organizations not only concentrate on the product quality and services but also focus on innovative business ideas, which they convert into innovative products (Audretsch, 2007). Entrepreneurs who use social media extensively develop a strong base of social and professional contacts due to which they can acquire new ideas (Rodan & Galunic 2004; Obstfeld et al., 2005). Steier & Greenwood (2000) argue that individuals can acquire knowledge and innovative ideas through communication with individuals of different backgrounds and culture, which is only possible through social media.

*H8: Social networking mediates the association between moral support and idea generation.*

## **Human Resources, Social Networking, and Business Operations**

Human resources are an important asset of an organization. Development and retention of employees through conventional human resource practices are expensive especially for new entrepreneurs (Hisrich, 2012). Given these constraints, many studies have suggested that social networking provides a cheaper and efficient forum for interacting and attracting talented employees across the world (Lindgren & Packendorff, 2009). Due to its importance, the human resource department besides conventional human resource practices is expected to build the company's brand reputation through extensive and efficient use of social networking. UAE is a small country with a limited number of talented workforce due to which entrepreneurs in the UAE have to attract talent workforce across the world. Thus, the availability of human resource profoundly depends on social networking.

It has also been argued that entrepreneurs' social and professional contacts in the social

network do not remain constant. Entrepreneurs activate the social business context to fit different needs including business growth (Hansen, 1995). Entrepreneurs often include friends and family members in the business network. Many studies have concluded that family and friends often contribute to the growth of entrepreneurs' business (Burt, 1992).

*H9: Social networking mediates the association between human resources and business operations.*

## **Global Presence, Social Networking, and Business Operations**

Globalization provides opportunities to entrepreneurs for developing formal and informal collaboration with foreign entities (Smart & Smart, 2012). SMEs before making a collaborative arrangement with the SMEs of other countries examine their culture, rules and regulations (Sulistyo, 2016). Organizations prefer to make formal collaborative arrangement with other organizations that have a similar culture and values. In the case of diversified culture in two countries, organizations prefer to develop an informal understanding with countries that have liberal trade policies. Subsequently, this informal cooperation may lead to formal collaboration (Wathne & Heide, 2004). Similarly, many studies have documented that informal understanding and cooperation leads toward formal collaborative arrangements (Hisrich, 2012; Glückler, 2006).

The social network approach assumes that entrepreneurs have some ideas and knowledge to run a business but they need other resources to produce and market their products (Teece, 1987). Entrepreneurs get information and support through social networking (Hansen, 1995). Moreover, it has been found that entrepreneurs who are linked with other people, organizations and interact with each other can acquire the required resources which are necessary for sustainable growth (Hansen, 1995).

*H10: Social networking mediates the association between global presence and business operations.*

## **Moral Support, Social Networking, and Business Operations**

Entrepreneurs due to limited resources and challenges become emotionally exhausted and need moral support from friends, peers, and employees. Social networking helps in relieving their stress (Brüderl & Preisendörfer, 1998; Powell & Smith-Doerr, 1994). Similarly, many studies have documented that the social circle of entrepreneurs provide emotional and moral support to entrepreneurs and enhances their self-confidence (Foxall, 1997).

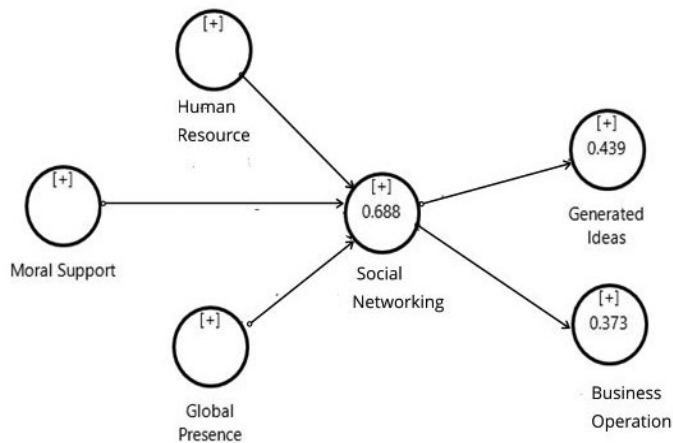
Social networks have certain properties that help entrepreneurs to enhance their business operations. First, size. It helps entrepreneurs to broaden their social network for

accessing critical information, knowledge and resources. Second, entrepreneurs structure themselves in a network to acquire what they need. Third, the relationship structure also helps entrepreneurs in acquiring resources that enhance business operations (Blau, 1977; Burt, 1992; Granovetter, 1973)

*H11: Social networking mediates the association between moral support and business operations.*

## Conceptual Framework

Based on the above discussions we have developed a conceptual framework that has five direct relationships and six indirect relationships. The conceptual framework is presented in Figure 1.



**Figure 1: Conceptual Framework**

## Methodology

### Population and Sampling

The target population for this research comprises entrepreneurs and business owners operating in UAE. The snowball sampling technique was used. The sample size for the study was 193 and the response rate was 90%. The profile of the entrepreneurs is as follows. Of the total respondents, 72% were males and 28% were females. In terms of age, 30% were in the age group 20 to 30, 40% in the age group 31 to 40, and the remaining 30% in the age group 40 plus. In terms of marital status, 26% were single and 74% were married. In terms of nationality, 5% were UAE nationals, 21% were Arab nationals (excluding UAE nationals), 20% were Indian nationals, 46% were from Pakistan, and 10% were from other nations.



In terms of education, 24% had a diploma, 47% had a bachelor's degree, and 29% had a master's degree.

### Data Collection Method

A self-administered questionnaire based on earlier studies was developed for collecting the data. The questionnaire has six latent variables and 30 indicator variables all based on a five-point Likert Scale. The snowball technique was used to collect the data.

### Data Analysis

Smart PLS was used for statistical analysis. Initially, preliminary analysis including reliability, validity and descriptive analysis were carried out. Subsequently, bootstrapping was used for generating a structural model and results.

## Results

### Descriptive Analysis

The results related to descriptive analysis are presented in Table 1.

**Table 1: Descriptive Analysis**

	<b>Cronbach's Alpha</b>	<b>Mean</b>	<b>Std. Dev.</b>	<b>Skewness</b>	<b>Kurtosis</b>
Human Resources	0.839	3.75	0.98	0.89	1.76
Idea Generation	0.889	4.01	1.44	-0.79	-0.97
Global Presence	0.635	3.87	2.05	-0.99	-0.87
Business Operations	0.791	3.65	1.66	1.13	-1.77
Moral Support	0.824	3.55	1.33	-0.76	0.99
Social Networking	0.871	3.67	1.44	-0.87	0.96

The results show that the highest Cronbach's alpha value is for idea generation (Mean= 4.01, SD=1.44,  $\alpha=.889$ ), and the lowest is for global presence (Mean= 3.87, SD=2.05,  $\alpha=.635$ ). As all the Cronbach's alpha values are at least 0.60, therefore it is inferred that the constructs used in the study have acceptable internal consistency. The Skewness values ranged from (SK=-1.13) to (SK= 0.76). Similarly, the highest Kurtosis value is KR= 1.76, and the lowest is KR=-0.87. As all the skewness and kurtosis values are between  $\pm 3.5$ , therefore it is inferred that the constructs do not deviate from the requirements of univariate normality.

## Convergent Validity

Convergent validity analysis was carried out to ascertain how much the indicator variables explain the theoretical concepts of the adapted constructs. Summary of the results are presented in Table 2

**Table 2: Convergent Validity**

	Mean	Std. Dev	Composite Reliability	AVE
Human Resources	3.75	0.98	0.885	0.607
Idea Generation Ideas	4.01	1.44	0.918	0.692
Global Presence	3.87	2.05	0.805	0.612
Business Operations	3.65	1.66	0.854	0.637
Moral Support	3.55	1.33	0.876	0.642
Social Networking	3.67	1.44	0.911	0.720

The results show that all composite reliability values are greater than 0.70. And the values of AVE are at least 0.60 which confirms that the respective indicator variables adequately support the theoretical aspects of the adapted constructs.

## Discriminant Validity

Fornell and Larcker (1981) criteria was used to examine the uniqueness and distinctiveness of the constructs. The summary of the results are presented in Table 3.

**Table 3: Discriminant Validity**

	HR	IG	GP	BO	MS	SN
Human Resources	0.779					
Generated Ideas	0.729	0.832				
Global Presence	0.643	0.55	0.762			
Business Operations	0.729	0.857	0.504	0.737		
Moral Support	0.714	0.55	0.699	0.483	0.767	
Social Networking	0.778	0.662	0.674	0.61	0.736	0.849

The results show that the square of each pair of correlation is lesser than the square of variance explained. These results confirm that all the constructs are unique and distinct.

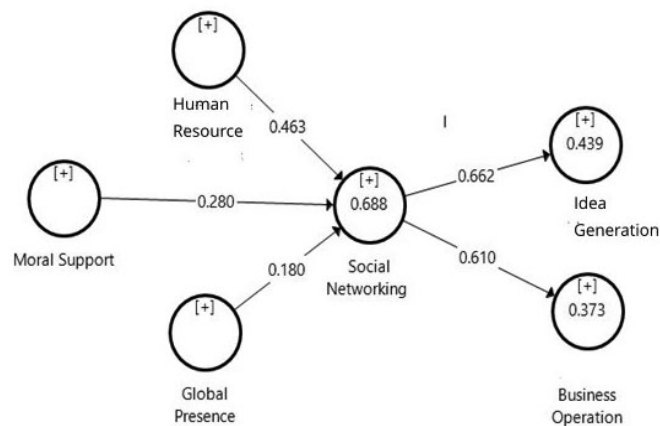
## SEM Results

Smart PLS was used to test the developed hypotheses. The results are presented in Table 4, and Measurement and Structural models are presented in Figure 2 and Figure 3.

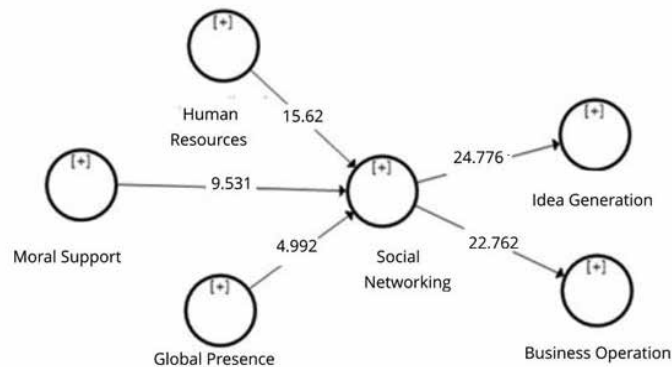
**Table 4: SEM Results**

	Beta	T Stat.	P Values	Results
<b>Direct Effects</b>				
Human Resources -> Soc. Networking (H1)	0.463	15.662	0	Accepted
Global Presence -> Soc. Networking (H2)	0.18	4.992	0	Accepted
Moral Support -> Soc. Networking (H3)	0.28	9.531	0	Accepted
Soc. Networking -> Idea Generation (H4)	0.662	24.776	0	Accepted
Soc. Networking -> Bus. Operation (H5)	0.61	22.762	0	Accepted
<b>Indirect Effects</b>				
Hum. Res. -> Soc. Net. -> Idea Gen. (H6)	0.307	12.058	0	Accepted
Glob. Pres. -> Soc. Net. -> Idea Gen (H7)	0.120	4.791	0	Accepted
Mor. Supp. -> Soc. Net. -> Idea Gen (H8)	0.185	10.175	0	Accepted
Hum. Res. -> Soc. Net. -> Bus. Operation (H9)	0.282	11.079	0	Accepted
Glob. Presence -> Soc. Net. -> Bus. Operation (H10)	0.101	4.807	0	Accepted
Mor. Supp. -> Soc. Net. -> Bus. Operation (H11)	0.171	10.555	0	Accepted

The results suggest that all five direct and six indirect hypotheses were accepted.



**Figure 2: Measurement Model**



**Figure 3: Structural Model**

## Discussion and Conclusion

Based on literature five direct hypotheses and six indirect hypotheses were developed. The results and their relevance to earlier studies are discussed below.

The first hypothesis was on the association between human resource and social networking, which our results support. Our results suggest that entrepreneurs who are highly active in social media have more chances to acquire innovative ideas. Many studies have concluded that the human resource departments in many organizations use social media extensively for building a strong brand image and reputation. This concept which is known as employer branding has multiple advantages (Lievens & Slaughter, 2016). It makes organizations more attractive to prospective employees. It also aligns the social values of employees with the social values of the organization (Manfredo et.al, 2017)

The hypothesis of the association between global presence and social networking was substantiated. Globalization provides the opportunity for entrepreneurs to develop formal and informal collaboration with foreign entities (Fonfara, Deszczyński & Dymitrowski, 2017). The results suggest that moral support and social networking are positively associated. Many studies have documented that social circle of entrepreneurs provide emotional and moral support and enhances their self-confidence (Foxall, 1997). Past studies suggest that entrepreneurs who receive emotional support from their family and friends are more successful in their business ventures in comparison to those who do not receive such support (Brüderl & Preisendörfer, 1998).

Our results support that social networking generates innovative ideas. Burt (1992) and Rodan & Galunic (2004) suggest that entrepreneurs who have large social contact are more

likely to develop new and innovate ideas in comparison to those who have small social contacts. It has also been argued that knowledge is not a universal scientific truth but it can be acquired through social interactions and sharing of ideas (Gore & Gore, 1999).

The hypothesis of social networking and business operations was accepted. It has also been argued that entrepreneurs' social and professional contacts do not remain constant. Entrepreneurs activate the social business context to fit different needs including business growth (Hansen, 1995). Entrepreneurs often include friends and family members in their business network. Many studies have concluded that family and friends often contribute to the growth of entrepreneurs' business (Burt, 1992).

Our results suggest that social networking mediates human resource and idea generation. Earlier studies suggest that human resource affects social networking and social networking generates innovative ideas (Lewis, Ricard & Klijn, 2018). Many studies have suggested that social networking provides a cheaper and efficient forum for interacting and attracting talented employees across the world (Lindgren & Packendorff, 2009). Given its importance, human resources management besides conventional human resources practices is expected to build the company's brand reputation through extensive and efficient use of social networking.

The hypothesis on the meditating effect of social networking on global presence and idea generation was accepted. This finding is consistent with earlier studies (Perry-Smith, 2006; Mannucci, 2017; Gaudelli, 2016). Many studies have documented that most of the informal understanding and cooperation leads toward formal collaborative arrangements (Hisrich, 2012; Glückler, 2006). The social network approach assumes that entrepreneurs have some ideas and knowledge to run a business but they need other resources to produce and market their products (Teece, 1987).

The results suggest that social networking mediates moral support and idea generation. Earlier studies suggest that social networking has a direct effect on idea generation and moral support through social networking effect idea generation (Nadeem et al., 2015; Luo & Toubia, 2015). The hypothesis on the mediating effect of social networking on human resources and business operations was also substantiated. Earlier studies also substantiate the mediating role of social networking on human resources and business operations (Sun, Strang & Firmin, 2017; Anshari, Alas & Guan, 2016). Our results suggest that global presence through social networking effects business operations. This finding is consistent with earlier studies (Nisar & Whitehead, 2016; Dijkmans, Kerkhof & Beukeboom, 2015).

The hypothesis on the mediating effect of social networking on moral support and business operation was substantiated. Many studies have documented that social circle of entrepreneurs provide emotional and moral support and enhances their self-confidence (Foxall, 1997). Social networks have certain properties that help entrepreneurs to enhance their business operations.

## **Conclusion and Future Research**

Entrepreneurs are the backbone of both developing and developed economies. Therefore, the government should support and nurture them. The UAE government in recent years, has developed policies and procedures that contribute towards foreign collaboration and investment in different channels. Entrepreneurs most of the time are short of financial, technical and managerial resources. The entrepreneurs who are actively involved in social networking can acquire the required resources. Moreover, it has also been found that entrepreneurs suffer from emotional exhaustion and other venture related stress. However, entrepreneurs who actively participate in social networking get moral support from family and peers that reduces venture induced stress. Thus, entrepreneurs should expand their social and professional networks to foreign countries. The relationship builds on the social network may help entrepreneurs to get innovative ideas that could be transformed into marketable products. Due to globalization, entrepreneurs can develop formal and informal collaborations with organizations in foreign countries. Besides the quality of products and services, human resources are important aspects of sustainable growth. Conventional human resource practices are expensive and have become obsolete in the present era. Therefore, HR managers should focus on enhancing the brand image and the reputation of their organizations. This strategy is effective for attracting a talented workforce and developing a sustainable relationship with existing employees.

This study was focused on SMEs in the UAE. Future studies can be carried out in other domains and other countries. Moreover, comparative studies between the two countries may bring further insight into the issue. Cultural aspects such as power distance, individualism/collectivism, masculinity/femininity, uncertainty avoidance were beyond the scope of the study. However, these aspects may influence the entrepreneurship phenomenon. Future studies may incorporate these cultural aspects in their studies. Demographic factors such as age and gender also affect social networking which was not covered in the study. Other studies may also examine the effect of demographic factors on social networking.

## Annexure 1

### Constructs and Items in the Questionnaire

#### Idea Generation

I share my business idea in initial stages with my family and friends.

My social network support me in refining my business idea.

I always share my new ideas with my professional and personal contacts.

I don't feel any need of sharing business ideas with my family and friends.

I learn from experiences of my social network.

#### Business Operations

I use my contacts for timely delivery of goods and services.

During the start-up phase, I use my contacts to reach reliable suppliers and distributors.

Social networks help in smooth running of business operations

My professional and personal contacts help in sustainable growth of my business.

#### Human Resources

My social network helps me in locating relevant expertise.

I hire people through my social contacts.

My social network is cost effective for hiring employees.

Social network is efficient in locating talented human resource.

#### Global Presence and Operations

I utilize my contacts to find global suppliers.

Social network helps a business to grow globally.

My social network helps me in finding global partners.

My social network helps in improving the value -chain of my business.

#### Moral Support

My family and friends support me morally during the start-up phase of my business.

My family and friends support me emotionally during various phases of business.

My social network provides me feedback and tips for improving my business.

Feedback from my social network is important for me.

#### Social Networking

It is important for an entrepreneur to have a strong social network during the start-up phase.

I make efforts to expand my social circle.

Social network support is important for my business.

Social contacts help in increasing customers.

Social contacts promote positive WOM communication.

Social network is important for the growth of my business.

I am successful entrepreneur because of my social network.

I value the information and resources from my social network.

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Social contacts help in acquiring required resources for the business venture.

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After five years, I see myself helping other entrepreneurs.

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