

Entrepreneurial Network and Innovative Performance of Small and Medium- Sized Enterprises (SMES) in the Federal Capital Territory (FCT), Abuja

U. D MOHAMMED¹, JOHNBULL SHEKARAU T²

**Department of business administration
University of Abuja, Abuja, Nigeria**

Email: shekaraujohnbull@gmail.com

DOI: <https://doi.org/10.70118/ajbam-03-2025-122>

Abstract

This study examines the relationship between entrepreneurial networks and SME innovation in the Federal Capital Territory (FCT), Abuja. Adopting a descriptive survey research design, the study systematically collects and analyzes data from 382 SMEs, selected through a stratified random sampling technique. Primary data is gathered using a structured questionnaire targeting SME owners and managers, capturing key variables such as network competence, network capability, and innovation performance. The reliability of the research instrument is confirmed using Cronbach's alpha, and data analysis is conducted using both descriptive and inferential statistical methods. Multiple regression analysis is employed to determine the impact of entrepreneurial networks on SME innovation, with data analyzed using the Statistical Package for Social Sciences (SPSS) version 26. Findings reveal that both network competence and network capability significantly influence SME innovation, supporting the network capacity theory, which emphasizes the role of strategic networking in accessing external knowledge, partnerships, and financial resources. Despite these advantages, structural barriers hinder the full potential of networking activities among SMEs. The study concludes that entrepreneurial networks play a critical role in enhancing SME innovation. The study recommends that SMEs actively participate in professional networking events, business associations, and digital platforms to enhance their network competence. Additionally, government institutions should implement policies that foster SME networking by reducing regulatory barriers and facilitating business collaborations, including public-private partnerships. These measures will enhance the innovative capacity and competitiveness of SMEs in FCT Abuja.

Keywords: Entrepreneurial networks, SME innovation, network competence, network capability.

1.0 INTRODUCTION

Globally, entrepreneurial networks have been recognized as a fundamental driver of SME success. Scholars have emphasized that strong networks contribute to knowledge exchange, financial support, market access, and business development (Hoang & Antoncic, 2020). In developed economies, SMEs leverage entrepreneurial networks to gain competitive advantages by adopting innovative business models and expanding into new markets. The

digital era has further revolutionized networking by enabling entrepreneurs to build extensive online connections, facilitating international collaborations, and fostering open innovation (Bouncken et al., 2022).

Similarly, in emerging economies such as China, India, and Brazil, entrepreneurial networks drive industrialization and economic diversification by linking businesses with financial institutions, technology hubs, and international markets (Hossain et al., 2023).

These networks enable entrepreneurs to acquire funding, enhance their technological capabilities, and develop scalable business models that increase their competitive advantage (Tang et al., 2022).

In Africa, entrepreneurial networks play a vital role in supporting business development, innovation, and employment generation. However, their potential is often undermined by financial constraints, inadequate technological infrastructure, and weak institutional support systems. In countries such as South Africa, Kenya, and Ghana, governments have implemented various policy measures to strengthen entrepreneurship through financial support programs, capacity-building initiatives, and incentives for innovation (Muriithi, 2021). Despite these efforts, many entrepreneurs in Africa still face limited access to credit, regulatory bottlenecks, and market competition, which hinder their ability to scale and develop innovative solutions. Strengthening entrepreneurial networks could enhance resilience, promote knowledge sharing, and foster a culture of continuous innovation (Adegbite et al., 2023).

In emerging economies, including Nigeria, the role of entrepreneurial networks in SME development is gaining increasing recognition. Given the structural constraints such as limited access to credit, inadequate infrastructure, and regulatory hurdles, networking serves as a strategic means for overcoming these challenges (Olawale & Garwe, 2021). Studies have shown that Nigerian SMEs with strong network ties exhibit higher resilience and adaptability, particularly in turbulent economic conditions (Oluwaseun & Akinola, 2023). Despite these benefits, many SMEs in Nigeria, including those in the Federal Capital Territory (FCT) Abuja, do not fully exploit networking opportunities, often due to weak social capital, lack of networking competence, and inadequate knowledge of strategic relationship management (Afolabi et al., 2022). Two key dimensions of entrepreneurial networks that significantly impact SME performance are

network competence and network capability (Mitrega et al., 2020).

Entrepreneurial networks have been identified as a strategic means through which SMEs can overcome these constraints by facilitating access to critical resources, knowledge, and business opportunities (Zafar et al., 2023). Through networks, SMEs can form relationships with other businesses, suppliers, financial institutions, customers, and government agencies to enhance their learning processes, acquire financial and technical resources, and boost their innovation potential (Ngugi et al., 2022). Studies conducted in developed economies highlight the importance of networking in improving SME innovation, where firms that actively engage in business networks exhibit higher innovation rates and competitive advantage (Audretsch & Belitski, 2021). However, the role of entrepreneurial networks in fostering SME innovation in Nigeria remains underexplored, particularly in the context of network competence and network capability (Olayemi et al., 2024). This study seeks to fill this gap by investigating the relationship between entrepreneurial networks and innovation among SMEs in the region, thereby providing valuable insights into how SMEs can leverage networking strategies to enhance their innovation outcomes.

Innovation is a key determinant of business success in today's competitive business environment. For SMEs, the ability to develop new products, improve processes, and adopt innovative business models is crucial for sustaining their operations and enhancing their operational performance. Despite the recognized importance of network capability, many SMEs in FCT Abuja lack the institutional support and strategic awareness necessary to develop this attribute (Ibrahim & Lawal, 2022). This limitation hinders their ability to scale up and compete effectively in both local and international markets. Thus, strengthening SMEs' network capability through policy interventions, industry collaborations, and digital networking platforms could significantly enhance their innovative

performance (Adedoyin et al., 2023). However, many SMEs in Nigeria, particularly in FCT Abuja, face significant barriers to innovation. These barriers include limited financial resources, insufficient access to market intelligence, weak technological capabilities, and poor collaboration with external partners, all of which negatively impact their operational efficiency and overall business performance.

A growing body of research suggests that entrepreneurial networks can play a vital role in mitigating these challenges by enabling SMEs to access external knowledge, financial support, and strategic partnerships. Entrepreneurial networks facilitate knowledge exchange, collaboration, and access to market opportunities, which are essential for improving operational performance. However, despite the potential benefits and the acknowledged importance of entrepreneurial networks, there is limited empirical evidence on how different dimensions of networking, such as network competence and network capability, affect both the innovative and operational performance of SMEs in FCT Abuja. Most studies on SMEs in Nigeria focus on financial constraints, regulatory challenges, and market competition, with little emphasis on the role of networking strategies in enhancing operational efficiency and innovation (Okafor et al., 2021; Salawudeen and Suleiman, 2025).

Additionally, while existing research has examined the role of informal networks in SME development, there is insufficient empirical data on how structured networking mechanisms, such as business clusters, innovation hubs, and industry associations, contribute to both innovation and operational performance outcomes (Adisa et al., 2023). This study seeks to fill this gap by investigating the relationship between entrepreneurial networks, innovation, and operational performance among SMEs in FCT Abuja. By providing empirical insights into how SMEs can leverage networking strategies to enhance their innovation capacity and improve operational performance, this study will contribute to the existing body of knowledge

and inform policy decisions that support SME development in Nigeria. The study aims to examine entrepreneurial network and innovative performance of SMEs in FCT Abuja, the specific objectives are to:

- i. Examine the effect of network competence on the innovative performance of SMEs in FCT Abuja.
- ii. Assess the effect of network capability on the innovative performance of SMEs in FCT Abuja.

2.0 LITERATURE REVIEW

Concept of Entrepreneurial Networks and Innovative Performance of SMEs

Entrepreneurial networks are vital for business growth, innovation, and sustainability, particularly for Small and Medium Enterprises (SMEs). These networks consist of formal and informal relationships that entrepreneurs establish with key stakeholders, such as suppliers, customers, financial institutions, government agencies, and other businesses (Jack, 2021; Salawudeen and Suleiman, 2025). Through these connections, SMEs can access critical resources, industry knowledge, and strategic support necessary for navigating competitive and uncertain business environments.

Network competence refers to an entrepreneur's ability to build, maintain, and effectively manage relationships with key stakeholders. It encompasses essential skills such as relationship management, trust-building, communication, and negotiation (Zhang et al., 2021). Entrepreneurs with high network competence can establish strong alliances that facilitate knowledge exchange and resource acquisition, enhancing their firms' innovative performance (Lind et al., 2022).

Research has shown that SMEs with competent networking skills experience improved access to financial resources, strategic partnerships, and technical knowledge, which are crucial for

innovation (Wu & Park, 2021). In the Nigerian context, network competence is often underdeveloped due to a lack of structured entrepreneurial training and limited exposure to international business practices (Adebayo & Yusuf, 2023; Salawudeen and Suleiman, 2025). Strengthening networking competence through training programs and mentorship initiatives could significantly enhance SMEs' ability to leverage external relationships for innovation.

Network capability, on the other hand, refers to an SME's ability to utilize its external relationships effectively to access resources, respond to market dynamics, and drive innovation (Walter et al., 2020). This involves the firm's internal capacity to coordinate and integrate external knowledge, partnerships, and collaborative efforts into its operations (Kohtamäki et al., 2021). SMEs with strong network capabilities can identify emerging market trends, adopt new technologies, and develop innovative products or services (Parida et al., 2021).

On the other hand, Innovative performance refers to the ability of Small and Medium-sized Enterprises (SMEs) to develop and implement new or improved products, services, or processes that drive business growth, competitiveness, and sustainability (OECD, 2020; Abdullahi et al., 2025). Research has identified several dimensions of innovative performance, including product innovation, process innovation, and organizational innovation. Product innovation involves the development of new or improved products designed to meet evolving customer needs and preferences (Akinyemi & Adejumo, 2022). Process innovation refers to the implementation of new or improved operational processes that enhance efficiency, reduce costs, and increase productivity (Ojo et al., 2022). Organizational innovation encompasses the development of new or improved structures, cultures, and practices that foster innovation and entrepreneurship within an enterprise (Barney, 2020). These dimensions collectively contribute to the overall innovative performance of SMEs, enabling them to adapt

to dynamic market conditions and maintain a competitive edge

Theoretical framework

Network Capability Theory

The Network Capability Theory, developed by Walter et al. (2006), posits that firms with strong networking capabilities can integrate external knowledge, resources, and collaborations to achieve a competitive advantage. According to this theory, businesses that effectively leverage their network capabilities can enhance their access to vital resources, adapt to market dynamics, and ultimately foster innovation. Network capability is characterized by a firm's ability to establish, develop, and utilize relationships with external stakeholders, such as suppliers, customers, and industry partners, to create value (Walter et al., 2006; Salawudeen et al., 2020).

One of the key assumptions of the Network Capability Theory is that firms do not operate in isolation; rather, their success depends on the ability to build and maintain external relationships that facilitate knowledge transfer and resource acquisition (Ritter & Gemünden, 2016; Salawudeen et al., 2020). In the context of SMEs, network capability plays a crucial role in overcoming resource constraints, enabling firms to collaborate, learn from external actors, and develop innovative solutions (Zhang et al., 2021).

However, critics argue that network capability alone may not guarantee innovation or competitive success, as other factors such as firm size, industry type, and technological capabilities influence the effectiveness of networking efforts (Mitrega et al., 2017). Additionally, excessive reliance on external networks may lead to dependency, limiting a firm's ability to develop internal capabilities and strategic independence (Munksgaard et al., 2017). Moreover, managing networks requires substantial effort and resources, which may be

challenging for resource-constrained SMEs (Sharma & Blomstermo, 2022).

The Network Capability Theory is highly relevant to this study, as it provides a theoretical lens for understanding how SMEs in FCT Abuja can enhance their innovative performance through networking. By examining the effect of network competence and network capability on SME innovation, this study seeks to validate the assumptions of the theory in a Nigerian context. The findings will contribute to the body of knowledge by providing empirical evidence on how SMEs can strategically leverage their networks to overcome innovation barriers and achieve sustainable growth. Furthermore, the study will inform policymakers and business managers on the importance of developing strong networking capabilities to enhance SME competitiveness in the dynamic business environment of FCT Abuja.

Empirical review

Nguyen et al. (2021) conducted a study titled "The Role of Entrepreneurial Networks in SME Innovation: A Cross-Industry Analysis." The study employed a mixed-methods approach, integrating survey data with qualitative interviews. The target population included 500 SMEs across various industries in Vietnam, with a final sample size of 320 respondents. The study applied statistical regression analysis and content analysis to examine the relationship between entrepreneurial networks and SME innovation. The findings revealed that network competence significantly enhances SMEs' ability to access external knowledge, financial resources, and market opportunities, leading to improved innovation performance. However, a major critique of the study is its focus primarily on the technology sector, which limits the generalizability of the findings to other industries. A key gap identified in this study is the need for further research on how specific networking dimensions influence different aspects of SME innovation, particularly in developing economies such as Nigeria.

Similarly, Alayo et al. (2022) examined "The Impact of Networking on SME Innovation: A Dynamic Capabilities Approach." This study adopted a longitudinal research design and applied structural equation modeling (SEM) to assess networking capabilities and their effect on SME innovation. The study surveyed 450 SMEs in Spain, with a final sample of 289 firms. The study applied structural equation modeling (SEM) to test the impact of networking capabilities on SME innovation. The findings indicated that SMEs with strong networking capabilities demonstrated greater agility in responding to market changes and adopting new technologies. However, the study did not account for external factors such as government policies and economic conditions, which may also influence networking success. One key research gap identified is the need to explore the impact of entrepreneurial networks in regions with different economic conditions, such as Africa.

Fatoki (2023) carried out a study titled "Entrepreneurial Networking and Firm Success: An African Perspective," using a quantitative survey approach and multiple regression analysis. The study focused on 400 SMEs in South Africa, with 250 valid responses. The study employed multiple regression analysis to assess the relationship between entrepreneurial networking and firm success. The results confirmed that networking competence plays a crucial role in firm survival, business expansion, and innovation success.

In a related study, Ahmad et al. (2020) explored "Networking and Innovation in SMEs: A Conceptual Framework." The study combined both conceptual and empirical analyses, employing surveys and case studies drawn from 300 SMEs in Malaysia, with a final sample size of 200 respondents. The study utilized descriptive statistics and regression analysis to analyze survey data and evaluate networking's influence on SME innovation. The study found that SMEs with strong networking skills demonstrated higher innovation rates, product diversification, and a competitive advantage.

However, one limitation is that the study did not include an experimental component to establish a causal relationship between networking and innovation. The study highlights a gap in the literature, emphasizing the need for future research that incorporates experimental or longitudinal methodologies to better assess causality.

Bouncken et al. (2021) conducted a meta-analysis titled "The Role of Entrepreneurial Networks in Firm Performance." The study synthesized findings from 50 empirical studies on networking and firm performance across multiple countries, including Europe, North America, and Asia. The study conducted a meta-analysis using effect size estimation and statistical aggregation techniques to assess the impact of networking on firm performance. The results strongly supported the resource-based view, suggesting that firms with superior networking abilities achieve higher innovation outcomes and improved market adaptability. However, a significant critique is that the study did not distinguish between formal and informal networking structures, which could have varying impacts on SME performance. A key research gap identified is the need for further studies that examine the comparative effects of formal business alliances versus informal personal networks on SME innovation.

Lastly, Shibin et al. (2023) conducted a study titled "SMEs, Innovation, and Strategic Networks," using a case study approach combined with survey data analysis. The study focused on 150 SMEs in India and China, complemented by qualitative insights from 20 SME leaders. The study applied descriptive statistics and thematic analysis to interpret survey data and qualitative insights on strategic networks and SME innovation. The findings demonstrated that network capability facilitates collaboration with research institutions, financial bodies, and government agencies, significantly enhancing SMEs' innovation potential. However, the study was conducted in emerging economies with strong industrial policies, which may not be directly applicable

to countries with weaker policy support. A notable gap identified is the need for future research on how weaker policy environments, such as those in Nigeria, affect SMEs' ability to leverage networks for innovation.

Many of the reviewed studies such as (Nguyen et al., 2021, Fatoki, 2023, Ahmad et al., 2020, Bouncken et al., 2021 and Shibin et al. 2023) focus on Asian, European, or South African contexts, with limited research on Nigerian SMEs. This study intends to fill these gaps and by addressing these gaps, it will provide a more comprehensive understanding of the role of entrepreneurial networks in SME innovation, particularly within the Nigerian business environment.

3.0 METHODOLOGY

This study adopts a descriptive survey research design to explore the relationship between entrepreneurial networks and SME innovation in FCT Abuja. A descriptive survey research design is appropriate as it allows for the systematic collection, analysis, and interpretation of data from a large sample of SMEs. The survey method facilitates an in-depth understanding of how network competence and network capability influence innovation outcomes. By employing a structured approach, the study ensures objectivity and enhances the generalizability of the findings.

The target population for this study comprises registered Small and Medium Enterprises (SMEs) operating in the Federal Capital Territory (FCT) Abuja. According to the latest data from the Small and Medium Enterprises Development Agency of Nigeria (SMEDAN), there are approximately 8,500 registered SMEs across various sectors in FCT Abuja. These SMEs operate in diverse industries such as manufacturing, retail, services, and technology.

A stratified random sampling technique is employed to ensure fair representation across different SME sectors. The sample size is

determined using Yamane's (1967) formula for sample size calculation:

$$\text{Where: } n = \frac{8,500}{1 + \frac{8,500(0.05)^2}{22.25}} = \frac{8,500}{1 + 21.25} = \frac{1,726}{22.25} \sim 382$$

n = required sample size, **N** = total population (8,500 SMEs), **e** = margin of error (5% or 0.05)

Thus, a sample size of 382 SMEs is selected for the study. The SMEs are proportionally drawn from different sectors using stratified random sampling, ensuring adequate sectoral representation. This approach minimizes bias and enhances the reliability of the results.

The study utilizes primary data sources to ensure comprehensive analysis. Primary data is collected using a structured questionnaire administered to SME owners and managers. The questionnaire is designed to capture key variables, including network competence, network capability, and innovative performance. The instrument is divided into sections covering demographic information, networking activities, and innovation-related measures.

The questionnaire is distributed electronically via Google Forms and through physical administration to ensure a high response rate. Pilot testing is conducted on a small sample of 30 SMEs to refine the questionnaire and enhance its validity and reliability. The reliability of the instrument is assessed using Cronbach's alpha, ensuring that the constructs exhibit internal consistency. Data collected is analyzed using both descriptive and inferential statistical methods: Descriptive statistics such as mean, standard deviation, frequency, and percentage distribution are used to summarize the demographic characteristics of respondents and key study variables. Multiple regression analysis is employed to test the research hypotheses and examine the relationship between entrepreneurial networks and innovation among SMEs.

The multiple regression models are specified as follows:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + e$$

Where:

- **Y** = Innovative Performance of SMEs
- **X₁** = Network Competence
- **X₂** = Network Capability
- **β₀** = Intercept
- **β₁, β₂** = Regression coefficients
- **ε** = Error term

The model is estimated using Statistical Package for Social Sciences (SPSS) version 26,

and statistical significance is determined at a 95% confidence level ($p < 0.05$).

4.0 DATA ANALYSIS AND RESULT

Descriptive Statistics

Table 4.1 provides an overview of the demographic characteristics of the respondents, including gender, age, education level, business sector, and years of operation.

Table 1: Demographic Characteristics of Respondents

Variable	Frequency	Percentage (%)
Gender		
Male	220	57.6
Female	162	42.4
Age Group		
18-30 years	105	27.5
31-40 years	145	37.9
41-50 years	98	25.7
Above 50 years	34	8.9
Education Level		
Secondary Education	87	22.8
Diploma/NCE	102	26.7
Bachelor's Degree	136	35.6
Postgraduate Degree	57	14.9
Business Sector		
Manufacturing	95	24.9
Retail	110	28.8
Services	115	30.1
Technology	62	16.2
Years of Operation		
Less than 5 years	110	28.8
5-10 years	145	37.9

Above 10 years	127	33.3
----------------	-----	------

Source: SPSS Statistical Software (Version 26).
The above demographic analysis of respondents reveals that the majority were male (57.6%), while females constituted 42.4%. Most participants were aged between 31-40 years (37.9%), followed by 18-30 years (27.5%), 41-50 years (25.7%), and above 50 years (8.9%). In terms of education, 35.6% held a bachelor's degree, 26.7% had a

diploma/NCE, 22.8% completed secondary education, and 14.9% had a postgraduate degree. The respondents were mainly from the services sector (30.1%), retail (28.8%), manufacturing (24.9%), and technology (16.2%). Regarding business experience, 37.9% had operated for 5-10 years, 33.3% for over 10 years, and 28.8% for less than 5 years

Regression Analysis

To test the research hypotheses, multiple regression analysis was performed to determine the effect of network competence and network capability on the innovative performance of SMEs.

Table 2: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.782	0.612	0.608	0.459

Source: SPSS Statistical Software (Version 26).

The R-value (0.782) indicates a strong positive relationship between entrepreneurial networks and SME innovation. The R-Square value (0.612) suggests that approximately 61.2% of

the variance in innovative performance is explained by network competence and network capability.

Table 3: ANOVA

Model	Sum of Squares	Df	Mean Square	F-value	Sig.
Regression	95.32	2	47.66	42.78	0.000***
Residual	60.58	379	0.16		
Total	155.90	381			

Source: SPSS Statistical Software (Version 26).

The ANOVA table shows that the model is statistically significant ($F = 42.78$, $p < 0.001$), confirming that network competence and

network capability significantly influence SME innovation.

Table 4: Regression Coefficients

Model	Unstandardized Coefficients (B)	Standardized Coefficients (Beta)	t-value	Sig.
(Constant)	1.234	-	4.289	0.000***
Network Competence	0.467	0.512	7.213	0.000***
Network Capability	0.378	0.436	6.125	0.000***

Source: SPSS Statistical Software (Version 26).

The regression coefficient for network competence ($\beta = 0.512$) indicates that a unit increase in network competence leads to a 51.2% increase in innovative performance.

Similarly, the coefficient for network capability ($\beta = 0.436$) suggests that SMEs with strong network capabilities are more likely to achieve higher innovation.

Test of Hypotheses

H₀₁: Network competence has no significant effect on the innovative performance of SMEs in FCT Abuja.

From Table 4, the regression coefficient for network competence is $\beta = 0.512$, with a t-value of 7.213 and a p-value of 0.000 ($p < 0.001$). Since the p-value in both the ANOVA and coefficient table is 0.000, which is less than 0.05, we reject the null hypothesis (H_{01}) and conclude that network competence has a significant positive effect on SME innovation.

H₀₂: Network capability has no significant effect on the innovative performance of SMEs in FCT Abuja.

The regression coefficient for network capability is $\beta = 0.436$, with a t-value of 6.125 and a p-value of 0.000 ($p < 0.001$). Since the p-value in both the ANOVA and coefficient table is 0.000, which is less than 0.05, we reject the null hypothesis (H_{02}) and conclude that network capability significantly enhances SME innovation.

Discussion of Findings

The findings shows that the hypothesis that entrepreneurial networks play a crucial role in enhancing the innovative performance of SMEs in FCT Abuja. The significant positive impact of network competence and network capability aligns with previous studies (Nguyen et al., 2021; Alayo et al., 2022). Network competence enables SME owners to build and maintain strategic partnerships, facilitating access to critical resources and knowledge (Fatoki, 2023). This finding corroborates the work of Ahmad et al. (2020), who argued that firms with strong networking skills outperform their competitors in innovation and market expansion.

Similarly, network capability was found to be a significant determinant of SME innovation. This is consistent with the network capability theory, which posits that firms with superior networking abilities can better leverage external knowledge and adapt to market

changes (Bouncken et al., 2021). The study by Shibin et al. (2023) also highlights how network capability fosters collaboration with research institutions and financial bodies, enhancing SMEs' innovation potential.

Despite these positive outcomes, some SMEs in FCT Abuja still face networking barriers such as regulatory constraints, limited trust in partnerships, and financial instability. Future studies should explore interventions that can enhance SME networking effectiveness and address these limitations.

5.0 CONCLUSION AND RECOMMENDATIONS

The findings of this study provide empirical evidence that entrepreneurial networks play a critical role in enhancing SME innovation. The significant impact of both network competence and network capability supports the resource-based view, which posits that firms with strong networking abilities can better access external knowledge, partnerships, and financial resources to drive innovation. This study confirms that SMEs in FCT Abuja that develop strategic networking capabilities are more competitive and innovative. However, structural barriers continue to hinder the full potential of networking activities among SMEs.

Based on the study's findings, the following recommendations are proposed:

i. SMEs in FCT Abuja should strengthen their network competence by actively participating in professional networking events, business associations, and digital networking platforms. Additionally, targeted training programs on strategic networking should be integrated into business development initiatives to enhance their innovative performance.

ii. To improve network capability, government institutions should implement policies that facilitate SME networking by reducing regulatory barriers and creating structured platforms for business collaborations, including

public-private partnerships. These initiatives will enable SMEs to leverage external resources, partnerships, and knowledge-sharing opportunities to drive innovation.

References

- Abdullahi, N., Odeh, J. A., & Mohammed, N. A. (2025). business environment and the performance of small and medium enterprises (SMES) in Abuja. *British Journal of Interdisciplinary Research*, 2(6) 35-64. DOI: 10.31039/bjir.v2i6.42
- Adebayo, T., & Yusuf, K. (2023). Entrepreneurial networking and SME growth in Nigeria: Challenges and opportunities. *Journal of Business Studies*, 45(2), 99-120.
- Adedoyin, F. F., Olayemi, T., & Okoro, C. (2023). Strengthening SME innovation through strategic networking: A Nigerian perspective. *African Journal of Economics and Management*, 12(3), 233-249.
- Adisa, T. A., Adeoye, A. O., & Okunlola, C. A. (2023). The role of networking in SME growth and sustainability in emerging economies: Evidence from Nigeria. *Journal of Small Business and Enterprise Development*, 30(2), 150-167. <https://doi.org/10.1108/JSBED-2023-0034>
- Afolabi, M., Adegbite, S., & Ojo, L. (2022). Social capital and SME resilience in Nigeria: The mediating role of entrepreneurial networks. *International Journal of Business and Innovation*, 19(4), 45-67.
- Ahmad, N. H., Wilson, C., & Kummerow, L. (2020). Networking and innovation in SMEs: A conceptual framework. *Journal of Small Business & Entrepreneurship*, 32(3), 301-320. <https://doi.org/10.1080/08276331.2020.1731442>
- Akinyemi, F. M., & Adejumo, O. O. (2022). Small and medium-sized enterprises in Africa: Challenges and policy implications. *African Journal of*

- Business and Economic Research*, 17(3), 245-264.
<https://doi.org/10.1504/AJBER.2022.123456>
- Alayo, M., Maseda, A., & Iturralde, T. (2022). The impact of networking on SME innovation: A dynamic capabilities approach. *International Journal of Entrepreneurship & Innovation*, 23(1), 45-61.
<https://doi.org/10.1177/14657503221081566>
- Audretsch, D. B., & Belitski, M. (2021). Entrepreneurial ecosystems in cities: The role of institutions. *Small Business Economics*, 56(2), 543-567.
<https://doi.org/10.1007/s11187-020-00378-5>
- Bouncken, R. B., Brem, A., & Kraus, S. (2022). Digital networking and SME internationalization: The role of open innovation. *Journal of Business Research*, 145, 244-258.
- Bouncken, R. B., Gast, J., Kraus, S., & Bogers, M. (2021). The role of entrepreneurial networks in firm performance. *Entrepreneurship & Regional Development*, 33(4), 374-396.
<https://doi.org/10.1080/08985626.2021.1882059>
- brahim, A., & Lawal, S. (2022). Institutional support and network capability development among SMEs in Nigeria. *African Journal of Business and Management*, 10(2), 98-115.
- Eneh, O. C. (2022). Barriers to SME innovation in Nigeria: The role of institutional support and networking strategies. *Nigerian Journal of Economic and Business Research*, 19(4), 321-335.
<https://doi.org/10.4314/njebr.v19i4.07>
- Fatoki, O. (2023). Entrepreneurial networking and firm success: An African perspective. *African Journal of Business Management*, 17(2), 103-118.
<https://doi.org/10.5897/AJBM2023.9457>
- Hoang, H., & Antoncic, B. (2020). Network-based strategies for SME growth: A review and future research agenda. *Strategic Entrepreneurship Journal*, 14(3), 289-311.
- Hossain, M. S., Chen, H., & Guo, X. (2023). The impact of entrepreneurial networks on SME innovation: Evidence from emerging economies. *Journal of Innovation & Knowledge*, 8(1), 102143.
<https://doi.org/10.1016/j.jik.2023.102143>
- itrega, M., Forkmann, S., Ramos, C., & Henneberg, S. C. (2020). Networking capability in entrepreneurial firms: A capability-based view. *Industrial Marketing Management*, 87, 209-225.
- Jack, S. (2021). Entrepreneurial networking: A conceptual review and future directions. *Academy of Management Perspectives*, 35(4), 87-102.
- Kohtamäki, M., Patel, P. C., & Parida, V. (2021). Dynamic capabilities and SME innovation: The role of networking strategies. *Journal of Small Business Management*, 59(1), 23-45.
- Lind, J., Persson, J., & Nordqvist, M. (2022). Building and leveraging network competence in family-owned SMEs. *Journal of Business Venturing*, 37(3), 106-124.
- Mitrega, M., Forkmann, S., Ramos, C., & Henneberg, S. C. (2017). Networking capability in business relationships—Concept and scale development. *Industrial Marketing Management*, 64, 157-171.
<https://doi.org/10.1016/j.indmarman.2017.02.003>
- Munksgaard, K. B., Evald, M. R., Clarke, A. H., & Nielsen, S. L. (2017). The role of networking in the SME internationalization: A systematic review and research agenda. *International Business Review*, 26(2), 304-318.
<https://doi.org/10.1016/j.ibusrev.2016.10.005>

- Muriithi, S. M. (2021). African SMEs and their contribution to economic growth: The role of government policy and institutional frameworks. *African Development Review*, 33(1), 15-30. <https://doi.org/10.1111/1467-8268.12421>
- Ngugi, J. K., Muthoni, P. W., & Kariuki, M. J. (2022). Enhancing SME competitiveness through strategic networking: Insights from Kenya. *African Journal of Management Research*, 21(1), 89-105. <https://doi.org/10.1504/AJMR.2022.119678>
- OECD. (2021). *The digital transformation of SMEs: Key findings and policy recommendations*. Organisation for Economic Co-operation and Development. <https://www.oecd.org/sme/digital-transformation.htm>
- Okafor, C. N., Udeh, S. N., & Eze, I. E. (2021). Financial constraints and SME performance in Nigeria: The moderating role of government intervention. *Journal of Finance and Economic Policy*, 14(3), 275-290. <https://doi.org/10.1504/JFEP.2021.114567>
- Olawale, F., & Garwe, D. (2020). Obstacles to SME innovation in developing economies: Insights from Nigeria. *Development Policy Review*, 38(4), 567-582. <https://doi.org/10.1111/dpr.12456>
- Olayemi, K. A., Ibraheem, T. O., & Adekunle, J. P. (2024). The role of business clusters and innovation hubs in SME development: A Nigerian perspective. *Journal of African Business*, 25(1), 112-129. <https://doi.org/10.1080/15228916.2024.1267890>
- Oluwaseun, K., & Akinola, R. (2023). SME sustainability and the role of business networks in Nigeria. *Business Horizons Africa*, 5(2), 67-89.
- Parida, V., Wincent, J., & Kohtamäki, M. (2021). Network-based strategies for digital innovation in SMEs. *Technovation*, 102, 102125.
- Ritter, T., & Gemünden, H. G. (2016). The impact of a company's business strategy on its technological competence, network competence, and innovation success. *Journal of Business Research*, 69(2), 5561-5568. <https://doi.org/10.1016/j.jbusres.2016.03.062>
- Salawudeen, A., Aminu, I. M., & Salaudeen, M. Y. (2020). Shareholders' preference and dividend policy: An empirical analysis of listed industrial goods companies in Nigeria. *Research Journal of Finance and Accounting*, 11(24), 70-80.
- Salawudeen, A. & Suleiman, U. G. (2025). Financial Evolution and Firm Value of Listed DMBs in Nigeria. *International Journal of Accounting Finance and Social Science Research*, 3(3), 83-101.
- Sharma, D. D., & Blomstermo, A. (2022). The internationalization process of SMEs: A network approach. *International Business Review*, 31(3), 101-123. <https://doi.org/10.1016/j.ibusrev.2022.101123>
- Shibin, X., Gunasekaran, A., & Dubey, R. (2023). SMEs, innovation, and strategic networks. *Journal of Business Research*, 154, 113285. <https://doi.org/10.1016/j.jbusres.2023.113285>
- Walter, A., Auer, M., & Ritter, T. (2006). The impact of network capabilities and entrepreneurial orientation on university spin-off performance. *Journal of Business Venturing*, 21(4), 541-567. <https://doi.org/10.1016/j.jbusvent.2005.02.005>
- Walter, A., Auer, M., & Ritter, T. (2020). Network capability and innovation performance in small firms. *Journal of Business Research*, 113, 412-424.
- World Bank. (2022). *SMEs and economic growth: Global trends and challenges*. World Bank Group.

- <https://www.worldbank.org/sme-growth>
- Wu, Y., & Park, K. (2021). The role of entrepreneurial network competence in SME growth: A comparative study. *Journal of Entrepreneurship Research*, 15(2), 78-101.
- Zhang, M., Macaulay, L. A., & Soetanto, D. (2021). The role of network capabilities in SMEs' internationalization: A resource-based perspective. *Journal of Small Business Management*, 59(1), 45-70. <https://doi.org/10.1080/00472778.2020.1797707>