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# Entrepreneurial Networking and the Performance of Selected Micro Enterprises in Osun State, Nigeria

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## ABSTRACT

The persistent challenge of weak business performance among micro enterprises in Nigeria highlighted the need to examine how entrepreneurial networking affected enterprise performance, particularly in Osun State. Despite increasing participation in informal and formal business activities, limited integrated evidence existed on how different forms of entrepreneurial networking jointly affected the performance of micro enterprises, thereby necessitating this study. The study therefore examined the effect of entrepreneurial networking on the performance of micro enterprises in Osun State, Nigeria, with specific objectives focusing on personal networking, social networking, operational networking, and strategic networking. A quantitative research design was adopted. Data were collected through a structured questionnaire administered to 490 respondents selected from a population of 1,370,908 micro enterprise owners using multistage sampling technique. Data were analysed using descriptive statistics involving frequency and percentage, alongside inferential statistics involving multiple regression analysis. The findings indicated an overall entrepreneurial networking contribution of 74.6%, while personal networking (B = 0.619), social networking (B = 0.755), operational networking (B = 0.829), and strategic networking (B = 0.884) all exerted significant positive effect on micro performance. The study concluded that entrepreneurial networking significantly affected the performance of micro enterprises. It was recommended that micro enterprise owners should strengthen networking activities through improved relationship building and strategic collaboration. It was also recommended that policymakers should develop supportive frameworks that encourage networking platforms and strengthen enterprise linkages for improved sustainability and growth.

**Keywords:** entrepreneurial networking, personal networking, operational networking, social networking, strategic networking

## INTRODUCTION

Entrepreneurial networking is often at the heart of how micro enterprises navigate uncertain conditions and improve their performance. Rather than operating in isolation, micro business owners rely on networking to access vital resources like information, funding, and market opportunities, as highlighted by Hussain et al. (2024). These networkings are not one-dimensional, but they are built through personal relationships, everyday social interactions, operational connections, and broader strategic alliances, all of which shape how a business grows and adapts over time (Marcano Nieves & Sosa-Varela, 2025). From another angle, Jiang et al. (2025) viewed networking as a valuable relational asset that helps entrepreneurs share knowledge, cut down transaction costs, and support innovation. In practice, this means entrepreneurs draw on personal trust, operational support systems, and long-term partnerships to stay competitive. Ultimately, strong and well-managed networkings tend to translate into better performance, often seen in rising sales, expanding customer bases, and increased business capacity, as noted by Zacca (2026).

Globally, entrepreneurial networking is widely recognised as a strategic mechanism through which micro enterprises in advanced economies strengthen competitiveness, innovation, and long-term survival in dynamic markets (John, 2024). Contemporary scholarly discourse explains that networking relationships enable micro businesses to access external knowledge, specialised skills, and collaborative opportunities that are often

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unavailable within their limited internal structures (Penna & Brito, 2026). Marcano Nieves and Sosa-Varela (2025) noted that networking behaviours shape how entrepreneurs interact with stakeholders, build trust, and coordinate resources, thereby influencing operational effectiveness and strategic positioning. From a broader developmental view, Li and Shafait (2025) argued that embedded networking ties enhance innovation capacity and adaptability, which are critical for sustaining micro enterprise growth in competitive environments. Similarly, Alshebami (2024) emphasised that networking ties support resilience and recovery by facilitating access to markets and information flows. Above all, entrepreneurial networking is seen as a global driver of micro enterprise performance, particularly in terms of business growth and expansion.

Across many African economies, entrepreneurs are relying on networkings as a practical way to work around structural challenges and keep their businesses moving forward (Sendawula et al., 2023). Rather than operating in isolation, micro business owners build connections that help them share knowledge, develop trust, and tap into limited resources that would otherwise be hard to access (Dwumah & Amaniampong, 2024). These relationships often open doors to new opportunities and markets, making it easier for micro enterprises to grow and stay resilient even in uncertain conditions (Ngera & Namusonge, 2024). In places like South Africa, both formal associations and informal ties play a role, strengthening collaboration and improving how information flows between entrepreneurs (Zulu & Banda, 2025). Entrepreneurial networking also shapes how business owners learn and adapt over time, sharpening their ability to respond to change (Mayanja et al., 2025). Taken together, the evidence positions entrepreneurial networking as a key driver of business performance, supporting both growth and long-term sustainability across diverse African settings.

Across Nigeria, more people are beginning to see entrepreneurial networking as a practical way micro business stay flexible and keep performing in tough, competitive markets. Rather than operating in isolation, Ogunfolu et al. (2025) revealed that micro business owners rely on networkings as everyday channels for sharing ideas, finding customers, and building partnerships. As noted by Ajirowo (2024), these connections open doors to knowledge and collaboration that would otherwise be hard to access. In a similar vein, Okonta and Ohikhena (2025) showed that both social and strategic ties help firms become more visible and better connected, which supports steady growth. Olanrewaju (2024) also linked active networking with improved innovation and easier access to new opportunities within local business environments. Adding to this, Ogunfolu et al. (2025) highlighted how trust-based relationships within networks encourage resource sharing, strengthening resilience and expansion. These perspectives make it clear that networking plays a key role in shaping micro enterprise success, especially when examining business growth among micro enterprise owners in Osun State.

Globally, entrepreneurial networking is widely acknowledged as a driver of micro enterprise performance, yet existing studies often isolate specific networking attributes, thereby limiting a holistic understanding of how combined networking dimensions influence business growth (John, 2024). Across African economies, research attention remains uneven, with emphasis placed on access to finance or innovation linkages, while integrated networking frameworks that capture diverse relational ties are still insufficiently explored (Mayanja et al., 2025). In Nigeria, studies across states highlighted the relevance of networking for enterprise sustainability, but they frequently adopt fragmented approaches that examine single dimensions or narrow contexts (Ajirowo, 2024). Further evidence from Tagha et al. (2024) suggested that while networking enhances performance, methodological limitations persist in capturing its multidimensional effect. In Osun State, available studies largely focused on isolated networking elements, leaving unclear how combined networking dimensions affect micro enterprise performance. This gap in scope, context, and analytical integration defines the core problem this study addressed.

The main objective of this study is to examine the effect of entrepreneurial networking on the performance of micro enterprises in Osun State, Nigeria. The specific objectives are to:

i) examine the extent to which personal networking affects the performance of micro enterprises in Osun State.

ii) assess the effect of social networking on the performance of micro enterprises in Osun State.

iii) analyse the effect of operational networking on the performance of micro enterprises in Osun State.

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iv) evaluate how strategic networking affects the performance of micro enterprises in Osun State.

# LITERATURE REVIEW

## Entrepreneurship

Entrepreneurship today is best understood as more than just starting a business but it is an ongoing, adaptive process affected by how people spot opportunities and make the most of limited resources in uncertain environments. It involves recognising possibilities, organising what is available, and creating value through innovation while taking calculated risks. Aladejebi (2020) showed that this process does not happen in isolation. Instead, it is deeply rooted in relationships, where networking play a key role in opening doors to knowledge, funding, and market access, ultimately influencing how well a business performs (Sendawula et al., 2023). That said, Aladejebi (2020) still debate what entrepreneurship truly means, as it is often mixed up with related ideas like behaviour or orientation, which makes it harder to measure and study consistently. In places like Africa, particularly Nigeria, entrepreneurship is increasingly viewed as socially embedded, with strong networking ties helping micro businesses stay flexible and grow, making networking essential for turning ideas into real business success.

## Entrepreneurial Networking

Networking is understood as both planned and informal ways entrepreneurs build and sustain relationships that give access to information resources and opportunities essential for business survival and growth. Scholars such as Marcano Nieves and Sosa-Varela (2025) viewed it as an active, dynamic capability that influences entrepreneurial success across different economic settings effectively. Entrepreneurial networking is viewed as a pivotal relational process through which micro-enterprises gain external resources strengthen competitiveness. It refers to web of relationships linking people and organisations for sharing information and opportunities (Jiang et al., 2025). Specifically, it involves entrepreneurs building and using personal, social and strategic connections to access resources, lower uncertainty, and improve their position in market (Marcano Nieves & Sosa-Varela, 2025). However, literature remains fragmented, as many studies focus on social capital, personal or structural ties instead of combining their functional and strategic roles, which weakens theoretical clarity (John, 2024). Evidence from Li and Shafait (2025) showed that networking embeddedness supports innovation responsiveness though integration limits predictive power in micro-enterprise research. In Africa especially Nigeria, (Mayanja et al., 2025) noted that networking is driven by survival needs rather than growth highlighting conceptual gaps. Networking improves access to knowledge, finance, and opportunities but inconsistent framing reduces explanatory precision across studies (Penna & Brito, 2026).

## Personal Networking

Personal networking, in this sense, refers to the entrepreneur's informal, trust-based relationships with family, friends, mentors, and close contacts that help move information and mobilise early-stage resources (Marcano Nieves & Sosa-Varela, 2025). However, some conceptual critiques argue that research often focuses too much on the breadth of ties while neglecting the quality and durability of these connections, which can distort their real contribution to enterprise outcomes. Evidence from Mayanja et al. (2025) showed that strong personal ties strengthen micro-enterprise resilience and adaptability by enabling knowledge sharing. In Nigeria, Pila (2025) suggested these networkings improve access to customers and credit, although their fragmented use often restricts long-term performance gains. Overall, entrepreneurial networking is widely seen as a driver of micro-enterprise performance through growth, yet personal networking is still underexplored as a complex, multidimensional factor influencing sustained competitiveness. These findings highlight the need for more detailed analysis of relationship quality in entrepreneurial ecosystems over time and across different sectors especially.

## Social Networking

Social networking is a key conceptual element within entrepreneurial networking that explains how micro enterprises access and mobilise external relational resources for survival and growth. It broadly refers to the

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patterned interactions among individuals and groups that facilitate information exchange, trust building, and resource coordination. Conceptually, Sendawula et al. (2023) described social networking as a dynamic relational system that connects entrepreneurs to opportunities beyond their internal capabilities. In developed economies such as Germany and Canada, John (2024) argued that strong social networkings improve opportunity recognition, although overreliance on informal ties may restrict strategic expansion. Within African economies, Dwumah and Amaniampong (2024) showed that social networking enhances access to finance and market intelligence, yet its benefits are uneven due to weak institutional linkages. In Nigeria, Ajirowo (2024) noted that social networking support micro enterprise visibility and survival, but often remain fragmented and poorly structured. Critically, while social networking improves micro enterprise performance through knowledge flow and cooperation, Marcano Nieves and Sosa-Varela (2025) cautioned that excessive dependence on informal ties may reduce innovation and strategic competitiveness if not properly balanced with formal networking.

**Operational Networking**

Operational networking is a dimension of entrepreneurial networking that focuses on the day-to-day relationships used by micro enterprises to coordinate activities, secure inputs, and sustain routine business functions. It is conceptually viewed by John (2024) as the practical layer of networking that converts relationships into immediate operational support and efficiency. In advanced economies, Penna and Brito (2026) argued that operational ties enhance supply reliability and reduce transaction delays, although overly transactional networking may weaken long-term strategic learning. Within African settings, Mayanja et al. (2025) opined that operational networking is described as a survival mechanism that supports informal coordination and resource sharing among micro businesses, yet its informal nature can limit scalability and formal integration. In Nigeria, Ajirowo (2024) indicated that operational linkages improve access to materials and customers, but often remain fragmented and poorly structured, reducing their sustained impact on performance. From a conceptual view, operational networking boosts micro enterprise performance by improving efficiency and continuity, but its dominance without strategic balance may constrain innovation and long-term growth.

**Strategic Networking**

Strategic networking is a core dimension of entrepreneurial networking that explains how micro enterprises deliberately build and maintain high-value relationships to gain competitive advantage. It represents intentional and long-term relationship management aimed at accessing resources beyond the firm's internal capacity. Conceptually, Soininen et al. (2023) defined strategic networking as purposeful alliance building that aligns external ties with firm growth objectives. In developed economies, Franco and Haase (2024) critiqued earlier views for overemphasising structural ties while neglecting the dynamic quality of trust and reciprocity in network effectiveness. Abubakar and Yusuff (2025) argued that strategic networkings are often constrained by weak institutional support, yet they remain essential for micro enterprise survival. In Nigeria, Ojo and Akinwale (2024) noted that strategic networking enhances access to markets and finance, though many studies treat it as static rather than evolving. Strategic networking positively affects micro enterprise performance by improving innovation, market expansion, and resource mobilisation, but fragmented conceptualisation limits its explanatory power for sustained growth outcomes.

**Micro Enterprises**

Micro enterprises are pivotal to job creation and grassroots income generation economies. However, sustainability is constrained by limited capital, weak managerial capacity, and poor market linkages. In advanced economies, Kraus and Jones (2024) defined micro enterprises as businesses with fewer than 10 employees, a definition critiqued for overlooking digital productivity differences. Similarly, empirical measurement commonly combines employment, turnover, and asset intensity indicators for comparability across datasets (OECD, 2023). In South Africa, Moyo (2024) revealed that micro enterprises are classified as employing below 10 workers with minimal turnover ceilings, yet inconsistencies in informal sector coverage weaken statistical reliability. In Nigeria, Adebayo (2024) noted that NBS and MSME frameworks align classification around employment and asset bands, while SMEDAN defines micro enterprises as businesses with 1–9 employees and

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limited capital base, a definition adopted in this study for its policy relevance. Wang (2025) noted that entrepreneurial networking enhances micro enterprise performance by facilitating information flow, resource acquisition, and opportunity recognition.

**Performance of Micro Enterprises**

Micro enterprise performance is a central construct in entrepreneurship literature that reflects how very micro firms utilise scarce resources to achieve survival, competitiveness, and expansion in volatile markets. It is commonly defined across sectors as the extent to which micro businesses achieve financial and non-financial outcomes such as income stability in retail, service efficiency in hospitality, and productivity gains in small manufacturing (Dimoso & Utonga, 2024). In professional practice, accountants emphasise profitability and liquidity, marketers focus on customer retention and market reach, while operations managers assess efficiency and output consistency, showing that performance is multidimensional (Dimoso & Utonga, 2024). In Nigeria, NBS and CBN frameworks evaluate micro enterprise performance through survival rates and revenue trends, while SMEDAN adds employment stability and asset accumulation as indicators (Akinwale, 2024). Business growth is selected as the core performance metric, defined by Wang and Esperança (2023) as sustained increases in sales, assets, and market expansion, which entrepreneurial networking enhances through resource access and opportunity diffusion.

**Theoretical Review**

The theoretical review lays the groundwork for understanding how entrepreneurial networking affects the performance of micro enterprises. It shows how different networking dimensions, both individually and collectively, shape business success and help entrepreneurs gain a competitive edge. This study is mainly guided by social capital theory as the core framework, while network theory provides additional support. Together, the theories clearly explain how entrepreneurial networking improves the performance of micro enterprises, especially among micro business owners in Osun State, Nigeria.

**Social Capital Theory**

Social Capital Theory was propounded by Bourdieu (1986) and later expanded by Coleman (1988) and Putnam (1993), who explained that social relationships, trust, norms, and networkings create valuable resources that improve individual and business outcomes. The theory views social capital as the benefits entrepreneurs obtain through durable social connections and reciprocal interactions within formal and informal networks (Doan et al., 2023). It assumes that entrepreneurs with stronger networks gain easier access to information, finance, market opportunities, knowledge, and institutional support that enhance enterprise performance (Dwumah et al., 2024). The theory further predicts that sustained networking strengthens innovation, competitiveness, survival, and business growth among small firms (Manafe et al., 2024). Despite its wide acceptance, critics argued that the theory lacks precise measurement standards and sometimes overemphasises positive networking outcomes while ignoring exclusion, dependency, and unequal access to resources (Daskalopoulou et al., 2023). Nevertheless, several scholars strongly supported the theory because it effectively explains how entrepreneurial relationships influence firm success across different economies and cultures (Pansuwong & Photchanachan, 2023). Therefore, social capital theory underpins this study because entrepreneurial networking links micro enterprise owners with strategic relationships and resource access that improve business performance.

**Network Theory**

Network Theory was advanced by Granovetter (1973) through the strength of weak ties concept and later expanded by scholars such as Burt (1992) and Castells (1996), who explained how social and business connections affect access to opportunities, resources, and information. The theory explains that individuals and firms operate within interconnected networkings where relationships influence behaviour, decision-making, and performance outcomes (Gao et al., 2023). Network theory assumes that entrepreneurs with broader and stronger networking ties gain faster access to market information, innovation, finance, suppliers, and strategic partnerships that improve enterprise performance (Han & Xie, 2023). The theory predicts that effective entrepreneurial networking enhances competitiveness, innovation capability, business growth, and survival

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among micro enterprises through continuous interaction and resource exchange (Satar et al., 2024). Critics argued that the theory pays limited attention to trust, cultural differences, and unequal power relations within networkings, while excessive dependence on networkings may also restrict independent decision-making (Yates et al., 2023). Nonetheless, many scholars supported the theory because it clearly explains how networking structures and relationships influence entrepreneurial success across different economies and industries (Robledo et al., 2023). Therefore, Network Theory supports this study by explaining how entrepreneurial networking structures improve the performance of micro enterprises. The theory complements the underpinning social capital theory by clarifying how networking connections create channels through which social capital resources are developed and utilised for business performance improvement.

**Empirical Review**

Examining earlier studies on entrepreneurial networking and micro-enterprise performance provides a solid knowledge base for this research. Reviewing past findings helps explain how different forms of entrepreneurial networking, including personal, social, operational, and strategic networkings, influence business growth and overall performance in micro enterprises while offering valuable insight into the factors that support long-term entrepreneurial success.

Mayanja, Mutebi, and Isingoma (2025) examined entrepreneurial networking and sustainability of women-owned micro-enterprise performance in selected East African economies, focusing on Uganda. The study area covered urban and semi-urban micro enterprises. A quantitative survey design was adopted, and structured questionnaires were used for data collection. The study population consisted of 600 registered women-owned micro enterprises, from which 518 respondents were selected through simple random sampling. Data were analysed using Partial Least Squares Structural Equation Modelling (PLS-SEM). Findings revealed that operational networking significantly enhances micro enterprise performance through improved resource access, knowledge sharing, and strengthened business sustainability.

John (2024) investigated entrepreneurial networking and SME performance in a study titled Show Me Your Networks and I'll Tell You Your Future: Entrepreneurial Networks and SME Performance. The study focused on small and micro enterprises in developing economies, including African business environments. The study adopted a quantitative survey design and used structured questionnaires to obtain primary data from SME owners and managers selected through purposive and simple random sampling techniques. A sample of 387 respondents was drawn from registered enterprises. Data were analysed using structural equation modelling and regression analysis. Findings revealed that personal networking significantly improves enterprise growth, market access, innovation, and overall business performance through stronger social and professional relationships.

Akinwale and Oluwafemi (2023) investigated the effect of entrepreneurial networking on the performance of micro enterprises in Lagos State, Nigeria. A place where many small businesses experience weak growth due to limited market connections and poor access to business support. The study adopted a descriptive survey design and used structured questionnaires to obtain data from 420 registered micro enterprise owners selected through stratified random sampling from a population of 2,135 digital businesses. Data were analysed using descriptive statistics and multiple regression analysis. The findings revealed that personal and social networking significantly improved sales growth, market expansion, customer retention, and overall business performance among micro enterprises.

Oyewobi, Adedayo, and Olorunyomi (2023) investigated the influence of social media adoption on the performance of construction SMEs in Abuja, Nigeria, where many micro enterprises experience weak market visibility and low business growth. The study adopted a quantitative cross-sectional survey design. Structured questionnaires served as the data collection instrument for responses obtained from construction SME owners and managers. The population comprised registered construction SMEs in Abuja, while purposive sampling produced a sample size of 210 respondents. Data were analysed using structural equation modelling and descriptive statistics. Findings revealed that social networking through social media adoption significantly improved customer relations, market reach, and overall enterprise performance.

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# METHODOLOGY

This study adopted a quantitative research design because it was considered appropriate for examining the effect of entrepreneurial networking on the performance of micro enterprises without manipulating any variables. The design enabled the collection of numerical data from a large population of micro enterprise owners at a single point in time, which supported objective measurement of relationships among variables as they naturally existed. The study area was Osun State, Nigeria, covering all 30 Local Government Areas. Osun State was selected due to its high concentration of micro enterprises across diverse sectors such as retail, agriculture, services, crafts, and ICT. The presence of active informal and semi-formal business activities across urban and rural communities made the state suitable for assessing how networking influenced enterprise performance in a real business environment. The population of the study consisted of 1,370,908 micro enterprise owners, as reported by the National Bureau of Statistics (SMEDAN, 2022), ensuring broad coverage of different business categories across the state.

A multistage sampling technique was adopted to ensure representativeness. The first stage involved clustering the state into its three senatorial districts, followed by the selection of Local Government Areas across the districts. The second stage involved stratifying micro enterprises by sector, namely retail, agriculture, services, crafts, and ICT businesses. The third stage involved the use of simple random sampling to select respondents from each stratum. The sample size was determined using Taro Yamane's formula, which initially produced 400 respondents. To enhance representativeness and account for possible non-response, a 30% adjustment was applied in line with Creswell (2014) and Israel (1992), resulting in an increase of the effective sample size to approximately 520 respondents. This ensured adequate statistical power and improved generalisability of findings across the study population.

Data were collected using a structured questionnaire designed on a 5-point Likert scale. The instrument was divided into three sections. Section A captured demographic characteristics of micro enterprise owners. Section B measured entrepreneurial networking, which was operationalised through personal networking, social networking, operational networking, and strategic networking. Section C measured performance of micro enterprises, focusing on business growth indicator. The questionnaire was administered through direct physical visits to respondents with the assistance of 10 trained research assistants who were familiar with local languages and cultural contexts to improve response accuracy. Instrument validity was ensured through face validity by experts in research methodology, content validity to confirm adequate coverage of all constructs, and construct validity to ensure the instrument measured the intended theoretical concepts accurately.

Reliability of the instrument was established through expert review and a test-retest pilot study involving 100 micro enterprise owners selected outside the main study area. The questionnaire was administered twice within a two-week interval to minimise recall bias and ensure stability of responses over time. Feedback from the pilot study helped refine unclear items. Cronbach's Alpha results confirmed strong internal consistency for all constructs, including personal networking ($\alpha = .847$), social networking ($\alpha = .846$), operational networking ($\alpha = .824$), strategic networking ($\alpha = .851$), and performance ($\alpha = .733$). Data collected were analysed using descriptive statistics such as frequencies and percentages, while inferential analysis was conducted using multiple regression analysis with the aid of SPSS version 25.

**Research Model Specification**

The study was based on the following overall regression model:

$$PME = \beta_0 + \beta_1 PEN + \beta_2 SON + \beta_3 OPN + \beta_4 STN + \varepsilon i$$

Where:

PME = Performance of micro enterprises

PEN = Personal networking

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SON = Social networking

OPN = Operational networking

STN = Strategic networking

$\beta_0$ = Constant

$\beta_1$, $\beta_2$, $\beta_3$, $\beta_4$ = Regression Coefficients

$\varepsilon i$ = Stochastic error term.

## RESULTS AND DISCUSSION

A total of 520 copies of questionnaire were administered to respondents, out of which 490 were properly completed and returned, giving a response rate of 94.2%. All retrieved copies were fully completed, as trained research assistants assisted respondents to ensure clarity and accuracy in their responses. The demographic profile of micro enterprise owners in Osun State, Nigeria offered important insights into their entrepreneurial networking patterns and the performance outcomes of their businesses.

The demographic characteristics of the respondents revealed a slightly higher participation of male micro enterprise owners, with 261 (53.3%) compared to 229 (44.7%) females, indicating a relatively balanced gender representation that could support varied entrepreneurial perspectives in networking and performance of micro enterprise owners. The age distribution showed that most respondents were within the 28–37 years bracket (39.6%), followed closely by 38–47 years (35.1%), suggesting that the majority were within their economically active and innovation-sensitive age groups, while fewer respondents fell within the older age categories. In terms of educational qualification, a significant proportion held HND/Degree certificates (45.7%), followed by NCE/ND holders (26.3%) and O'Level (24.1%), indicating a moderately educated population with potential capacity to adopt entrepreneurial networking practices. Regarding years of business operation, most respondents had between 20–29 years of experience (55.3%), reflecting a relatively experienced entrepreneurial base with established business structures. Sectoral distribution showed dominance in retail (33.7%) and services (29.0%), followed by agriculture (19.2%) and crafts/ICT (18.1%), suggesting that networking activities were concentrated in sectors where market interaction and relationship-building significantly influenced enterprise performance.

**Testing of Hypothesis**

Table 1: Regression Diagnostic Test

| Diagnostic Test | Test Statistic/Range | Criterion |
|---|---|---|
| VIF | 1.953 - 2.837 | VIF < 5 |
| Tolerance Values | 0.374 - 0.533 | T < 0.1 |
| Shapiro-Wilk Normality Test | P = 0.418 | P > 0.05 |
| Kolmogorov-Smirnov Normality Test | P = 0.174 | P > 0.05 |
| Condition Index | 10.107 - 13.259 | CI > 15 |
| Durbin-Watson | 1.902 | DW ≈ 2.0 |

Source: Field Survey, 2026

Table 1 presents the regression diagnostic results validating the assumptions for reliable estimation of the effect of entrepreneurial networking on the performance of micro enterprises in Osun State, Nigeria. The VIF values ranging from 1.953 to 2.837, alongside tolerance values between 0.374 and 0.533, confirmed absence of multicollinearity among the explanatory variables since they satisfied the recommended thresholds. The

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Shapiro-Wilk (P = 0.418) and Kolmogorov-Smirnov (P = 0.174) normality tests indicated normally distributed residuals, supporting model suitability. Furthermore, the condition index values of 10.107 to 13.259 suggested no harmful collinearity issues, while the Durbin-Watson statistic of 1.902 indicated absence of autocorrelation, thereby affirming robustness and consistency of the regression estimates.

**Table 2a: Model Summary**

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|---|---|---|---|---|
| 1 | .864[a] | .746 | .743 | .463 |

a. Predictors: (Constant), Personal, social, operational, strategic networkings

The regression results presented in Table 2a revealed a strong positive relationship between entrepreneurial networking dimensions and the performance of micro enterprises in Osun State, Nigeria, as indicated by the correlation coefficient (R) of 0.864. The coefficient of determination ($R^2$) of 0.746 showed that 74.6% of the variations in micro enterprise performance were jointly explained by personal, social, operational, and strategic networking variables included in the model. The adjusted $R^2$ value of 0.743 further confirmed that the model retained substantial explanatory strength after adjusting for the multiple predictors, indicating model stability and reliability. In addition, the standard error of the estimate of 0.463 suggested minimal prediction error and satisfactory model fit. Therefore, the results demonstrated that entrepreneurial networking significantly influenced the performance of micro enterprises, leading to the rejection of the null hypothesis.

**Table 2b: ANOVA[a]**

| Model | | Sum of Squares | df | Mean Square | F | Sig. |
|---|---|---|---|---|---|---|
| 1 | Regression | 174.290 | 4 | 42.723 | 246.685 | .000[b] |
| | Residual | 72.798 | 485 | .173 | | |
| | Total | 247.088 | 489 | | | |

a. Dependent Variable: Performance of micro enterprises

b. Predictors: (Constant), Personal, social, operational, strategic networkings

The ANOVA results revealed that the regression model was statistically significant (F = 246.685, p = .000), indicating that entrepreneurial networking exerted a significant effect on the performance of micro enterprises in Osun State, Nigeria. The regression sum of squares (174.290) compared with the residual sum of squares (72.798) showed that a considerable proportion of the variation in enterprise performance was explained by the combined influence of personal, social, operational, and strategic networking dimensions. In addition, the regression mean square (42.723) was substantially higher than the residual mean square (.173), demonstrating the strong explanatory strength and adequacy of the model in predicting enterprise performance. Since the probability value was lower than the accepted 0.05 significance threshold, the null hypothesis was rejected, and it was concluded that entrepreneurial networking significantly influenced the performance of micro enterprises in Osun State, Nigeria.

**Table 2c: Coefficients[a]**

| Model | | Unstandardized Coefficients | | Standardized Coefficients | T | Sig. |
|---|---|---|---|---|---|---|
| | | B | Std. Error | Beta | | |
| 1 | (Constant) | 0.581 | 0.218 | | 4.187 | .000 |
| | Personal networking | 0.619 | 0.639 | 0.508 | 3.121 | .002 |
| | Social networking | 0.755 | 0.742 | 0.554 | 1.204 | .001 |
| | Operational networking | 0.829 | 0.641 | 0.752 | 7.689 | .000 |

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| | | | | | | |
|---|---|---|---|---|---|---|
| | Startegic networking | 0.884 | 0.842 | 0.830 | 9.139 | .000 |
| a. Dependent Variable: Performance of micro enterprises | | | | | | |

The coefficient estimates presented in Table 2c revealed that entrepreneurial networking dimensions exerted positive and statistically significant effect on the performance of micro enterprises in Osun State, Nigeria. Specifically, personal networking had a positive and significant effect on enterprise performance (B = 0.619, p = 0.002), indicating that stronger personal relationships enhanced performance of micro enterprises. Social networking also demonstrated a positive significant effect (B = 0.755, p = 0.001), suggesting that social interactions and connections contributed positively to enterprise performance. Operational networking exhibited a stronger and statistically significant effect (B = 0.829, p = 0.000), implying that operational collaborations improved business efficiency and performance. Furthermore, strategic networking recorded the highest positive and significant contribution (B = 0.884, p = 0.000), reflecting its substantial influence on enterprise growth and sustainability. Consequently, the null hypothesis was rejected, confirming that entrepreneurial networking significantly affected the performance of micro enterprises in Osun State, Nigeria.

## DISCUSSION OF FINDINGS

The regression and ANOVA results revealed that entrepreneurial networking had a strong and statistically significant effect on the performance of micro enterprises in Osun State, Nigeria, which resulted in the rejection of the null hypothesis. The model summary showed a high explanatory power (R = 0.864; $R^2$ = 0.746), indicating that personal, social, operational, and strategic networking jointly explained a substantial proportion of the variations in enterprise performance. The significant F-statistic (F = 246.685, p = 0.000) further confirmed the fitness and reliability of the regression model. This finding agreed with Li and Shafait (2025) and Akinwale and Oluwafemi (2023), who established that entrepreneurial networking significantly improved sales growth, market expansion, customer retention, and overall business performance among micro enterprises. The result supported the social capital theory, which explained that relationships and social ties served as valuable resources that enhanced enterprise outcomes. It also aligned with network theory, which emphasised that business networking created access to opportunities, information, and support necessary for enterprise sustainability and growth.

Regarding the first specific objective, personal networking exerted a positive and significant effect on the performance of micro enterprises (B = 0.619, p = 0.002). This indicated that stronger personal relationships, trust, and interpersonal connections enhanced enterprise growth and operational performance. The finding was consistent with Pila (2025) and John (2024), who found that personal networking significantly improved enterprise growth, innovation, and market access through stronger professional and social relationships. The finding further supported social capital theory because personal ties increased trust and facilitated exchange of useful business information and resources. network theory also explained that entrepreneurs with broader personal networking gained greater access to opportunities that enhanced enterprise performance.

For the second specific objective, social networking had a positive and significant effect on micro enterprise performance (B = 0.755, p = 0.001). This implied that social interactions and online networking platforms improved customer relations, visibility, and market reach. The result aligned with Dwumah and Amaniampong (2024) and Oyewobi et al. (2023), who showed that social networking and social media adoption significantly enhanced customer engagement and enterprise performance. The finding reinforced social capital theory by demonstrating that social relationships generated access to customers and business support systems. network theory equally explained that social networking strengthened communication channels and expanded market opportunities for enterprises.

Operational networking also recorded a positive and significant effect on enterprise performance (B = 0.829, p = 0.000). This suggested that collaboration with suppliers, partners, and operational stakeholders improved resource access, knowledge sharing, and business sustainability. The finding agreed with Mayanja et al. (2025) and Ajirowo (2024), who established that operational networking enhanced enterprise performance through effective resource coordination and strengthened operational efficiency. This outcome reflected the assumptions of social capital theory and network theory, which emphasised collaboration and resource exchange as essential drivers of enterprise success.

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Finally, strategic networking exerted the strongest positive and significant effect on enterprise performance (B = 0.884, p = 0.000). This showed that strategic alliances and institutional relationships improved access to markets, finance, and growth opportunities. The finding validated the studies of Abubakar and Yusuff (2025) and Ojo and Akinwale (2024), who revealed that strategic networking significantly enhanced market access and financial opportunities among micro enterprises. The result further supported social capital theory and network theory because strategic relationships increased entrepreneurs' access to external support, competitive advantages, and long-term business sustainability.

## CONCLUSION AND POLICY RECOMMENDATIONS

The study concluded that entrepreneurial networking exerted a significant and substantial effect on the performance of micro enterprises in Osun State, Nigeria, as evidenced by the high explanatory power of the model ($R^2 = 0.746$) and the statistical significance of the regression and ANOVA results, leading to the rejection of the null hypothesis. In relation to the main objective, the combined effect of personal, social, operational, and strategic networking enhanced enterprise performance through improved access to resources, information, and business opportunities. Specifically, personal networking improved performance through trust-based relationships and stronger interpersonal ties; social networking enhanced visibility, customer engagement, and market reach; operational networking strengthened efficiency through collaboration and resource sharing; while strategic networking contributed most significantly by improving access to markets, finance, and long-term growth opportunities. Based on these conclusions, it was recommended that micro enterprise owners should deliberately build and maintain strong personal relationships by actively engaging in community and business associations. They should also strengthen social networking activities, especially through consistent interaction on digital and physical platforms to expand customer base and visibility. Operational networking should be improved through partnerships with suppliers and business stakeholders to enhance resource access and efficiency, while strategic networking should be prioritised through alliances with financial institutions, market intermediaries, and industry groups to secure funding and expansion opportunities. Furthermore, targeted training on effective networking skills should be encouraged to sustain competitive advantage and long-term enterprise growth.

### Policy Implication and Limitations

The findings implied that policymakers, enterprise development agencies, and other stakeholders in Osun State should prioritise support policies that strengthen entrepreneurial networking through structured mentorship schemes, networking forums, and capacity-building initiatives that enhance personal, social, operational, and strategic linkages, as these significantly improved micro enterprise performance. Support policies should also encourage affordable access to business platforms and collaborative opportunities that expand market reach and resource sharing. However, the study was limited to micro enterprises in Osun State, which constrained broader generalisation of the findings. Future studies were recommended to cover wider geographical areas and include additional contextual variables for deeper insights.

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