Networks as co-creators in resourcing corporate entrepreneurial initiatives: A process study

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Abstract

This study examines how networks impact the resourcing process of entrepreneurial initiatives in organizations through a comparative study of a financial institution and a manufacturing company in Ghana. The study identifies a process model that establishes the relationship between the types of initiatives, the resourcing process and the networks in the resourcing process. The study shows that firms are more likely to leverage networks for resourcing entrepreneurial initiatives which have reputation enhancing benefits for them by virtue of their social significance rather than for initiatives which serve a purely commercial purpose.

Keywords: corporate entrepreneurship, resourcing, networks, process, subsidiary companies

1.0 INTRODUCTION

The concept of entrepreneurship within firms, corporate entrepreneurship (Burgelman, 1983a; Vesper, 1984), has gained momentum since Peterson and Berger's (1971) essay on the phenomenon. This interest in corporate entrepreneurship has been due to the increasing demands of technology and globalization which make it necessary for companies to find effective ways of sustaining competitive advantage (Corbett, Covin, O'Connor and Tucci, 2013; Zahra and Garvis, 2000). Also known as corporate venturing (Biggadike, 1979; Block and MacMillan, 1995), intrapreneurship (Pinchot, 1985; Nielsen, Peters and Hisrich, 1985), and internal corporate entrepreneurship (Schollhammer, 1982), corporate entrepreneurship has been shown to provide organizational outcomes of competitiveness, performance, growth, profitability and learning (Kuratko and Audretsch, 2013; Dess, Ireland, Zahra, Floyd, Janny and Lane, 2003; Hayton, 2005; Wiklund and Shepherd, 2005; Covin and Miles, 1999; Zahra, Nielsen and Bogner, 1999; McGrath, 2001). It has been defined as encompassing internal innovation or venturing and strategic renewal (Guth and Ginsberg, 1990). In recent years, corporate entrepreneurship has been defined as encompassing internal venturing and strategic entrepreneurship, i.e., strategic renewal, domain redefinition, organizational rejuvenation, sustained regeneration and business model reconstruction (Morris, Kuratko and Covin, 2011).

Increasingly, it has become evident that implicitly inherent in definitions of corporate entrepreneurship have been the presence of innovation (Corbett, Covin, O'Connor and Tucci, 2013); the identification and recognition of opportunities (Sathe, 1989), the presence of an entrepreneurial orientation (Miller, 1983), and the combination of resources (Burgelman, 1983a). Despite extensive work using different perspectives and methods, researchers (Calisto and Sarkar, 2017; Turner and Pennington, 2015; Corbett, Covin, O'Connor and Tucci, 2013; Phan, Wright, Ucbarasan and Tan, 2009; Kuratko and Audretsch, 2013) indicate that the micro-processes underlying the enactment of entrepreneurial initiatives should be further explored. One aspect of the process of corporate entrepreneurship that is of interest to researchers is how entrepreneurial initiatives are resourced. Over the years, it has been assumed that resourcing of corporate entrepreneurial initiatives has been an internal activity (Burgelman, 1983a, 1984; Nielsen, Peters and Hisrich, 1985). While this is true to a large extent, networks have been shown to be particularly useful for resourcing corporate entrepreneurial initiatives (Kelley, Peters and O'Connor, 2009; Eisenhardt and Schoonhoven, 1996; Yiu and Lau, 2008). The importance of social networks, strategic alliances and the social capital derived from these networks have been widely discussed in the literature. However, these discussions have mostly centred on the provision of intangible resources such as knowledge and learning. In cases where there are more tangible resources involved, these have mostly to do with the formation of strategic alliances to fill gaps in specific aspects of the resourcing process such as resource acquisition, configuration or identification.

Therefore, this research seeks to present a holistic view of the role of networks in the resourcing process of corporate entrepreneurial initiatives by identifying and examining the processes involved in the identification, acquisition and configuration of both tangible and intangible resources (Barney, 1991) from diverse networks to support corporate entrepreneurial initiatives. Our comparative study between a manufacturing company and a financial institution in Ghana seeks to understand how networks impact the resourcing process of corporate entrepreneurial initiatives. The study presents a process model that shows the relationship between the role networks play in resourcing corporate entrepreneurial initiatives, the types of initiatives embarked on and the resourcing process. The study further shows that networks may matter more where initiatives are more reputation enhancing and have a social impetus than where initiatives provide purely commercial interests for the entrepreneurial firm.

2.0 LITERATURE REVIEW

2.1 The resourcing process in corporate entrepreneurship

Earlier studies (Zahra and Covin, 1995; Birkinshaw, 1999; Barringer and Bluedorn, 1999) of corporate entrepreneurship focused on using large databases in the US for quantitative studies and identifying the antecedents, elements and outcomes of corporate entrepreneurship (Zahra, Randerson and Fayolle, 2013). Over the years, researchers have used stage models (Bloodgood, Hornsby, Burkemper and Sarooghi, 2015), static models (Russell, 1999), process models (Burgelman, 1983b), and variance models (Ozcan and Eisenhardt, 2009) to understand the process of corporate entrepreneurship. The consensus has always been that the process of corporate entrepreneurship includes opportunity identification and idea generation, development, and implementation stages.

The concept of corporate entrepreneurship has always been underpinned by resources and resourcing. In previous years, scholars have conceptualized corporate entrepreneurship as involving: 'new resource combinations' (Burgelman, 1983a); 'internally generated new resource combinations' (Burgelman, 1984); 'assembling and configuring novel resources' (Ellis and Taylor, 1987); 'exploiting existing assets' (Biniari, Simmons, Monsen and Moreno, 2015); and 'companies pursuing opportunities without regard to the resources they currently control' (Stevenson, Roberts and Grousbeck, 1989). Companies demonstrate their commitment to corporate entrepreneurship through different postures (Brazeal and Herbert, 1999) which include the allocation of resources for the development of entrepreneurial initiatives (Wolcott and Lippitz, 2007). Depending on whether initiatives are top-down or bottom-up, i.e. strategic or autonomous, (Burgelman, 1983a), the resourcing process may differ considerably. While firms may employ different strategies based on their resource configurations to achieve their objectives, it is the individuals championing the initiatives who need to make resource decisions by prioritizing, recruiting partners, and selecting resource combinations. In building a resource base, one resource type is leveraged to build other resources (Kuratko, Ireland, Covin and Hornsby, 2005).

2.2 Networks

The current demands of the competitive landscape have led to companies moving towards cooperative and relationship-based strategies rather than competitive strategies (Child, Faulkner and Tallman, 2005). In its broadest sense, a network has been defined as a set of actors connected by a set of ties (Borgatti and Foster, 2003). In other words, a firm's network encompasses its set of horizontal and vertical relationships with customers, suppliers, competitors or other entities that may span across industries and countries (Gulati, Nohria and Zaheer, 2000). Early discussions on networks sought to determine whether networks were a distinct organizational arrangement or hybrid organizational form made up of market and hierarchy (Larson, 1992). The relational characteristics of networks include: network structure, which is the pattern of relationships in the network; network membership, which refers to the composition of the network; and tie modality, referring to the rules and norms that dictate appropriate behaviour within the network. Tie modalities consider the strength of relationships and the nature of the ties whereas network membership could include the identities, status, resource, access, and other characteristics of the network (Gulati, Nohria and Zaheer, 2000). Hoang and Antonic (2003) on the other hand identify three elements of networks useful for theoretical and empirical studies: the nature of content exchanged between actors, labelled as network content; the way relationships are governed, which is network governance; and the structure and ties that occur as a result of interrelationships between actors, labelled as network structure. Social capital, an area in organizational network research, which refers to the value of connections (Borgatti and Foster, 2003) is based on the proposition that networks constitute a valuable resource, particularly with respect to information benefits (Nahapiet and Ghoshal, 1998).

Networks have been shown to be useful to companies for sharing risks, outsourcing value chain stages and organizational functions, learning, scale and scope economies. They are also useful for reducing information asymmetries and preventing opportunistic behaviour due to reputational concerns (Gulati, Nohria and Zaheer, 2000). In entrepreneurship, networks have been known to play an important role in influencing entrepreneurial processes and outcomes such as beneficial resource exchanges (Hoang and Antonic, 2003). However, more permanent network linkages may lock firms into unproductive relationships or prevent them from entering into partnership with other firms. While companies typically require mutual economic exchange to form ties, the more important consideration is thought to be the growth of the transaction as a source of new revenue. Additionally, prior reputations of actors in terms of personal trust, capabilities and economic trust, is an important consideration for the formation of network ties (Larson, 1992). In entrepreneurship, Hoang and Antonic (2003) suggest that prior network relationships may provide resources for new ventures. Additionally, the idea of appropriable organization indicates that social capital formed in a particular context may be transferred to another social setting, which may lead to different patterns of exchange. In effect, organizations created for a purpose may end up providing valuable resources for other, different purposes (Nahapiet and Ghoshal, 1998). Again, because networks may be created through path dependent processes, they may be difficult to substitute and imitate, thereby creating resources which are themselves difficult to imitate. In effect, the firm's network and resources that are obtained through these network relationships may be a source of competitive advantage. Therefore, the relational characteristics of networks can serve as a resource. This may create network structure as a resource, network membership as a resource and tie modality as a resource (Gulati, Nohria and Zaheer, 2000).

2.3 Networks and resources

Firms only seek resources from external resource markets when their internal resource markets are unable to provide those resources (Maritan and Lee, 2017; Floyd and Wooldrige, 1999; Greene, Brush and Hart, 1999). In accessing resources externally, the role of networks has been extensively discussed (Cao, Simek and Jansen, 2012; Baker, Miner and Eesley, 2003; Turner and Pennington, 2015), particularly since they are essential in providing access to information, resources, markets, technologies and learning (Gulati, Nohria and Zaheer, 2000). Strategic alliances for instance, have been proven useful when the option of filling resource gaps through internal development and accumulation is not feasible. This could include situations where the company is unable to develop resources such as new technologies quickly in response to the dictates of hypercompetitive environments (Teng, 2007). With regard to the relationship between network ties and resources, weak informal ties, though less likely to convey more information than formal organizational relationships (strong ties), may in fact provide a large database of information that is not subjective.

At the organizational level, it has been argued that a firm's network may serve as an inimitable resource by creating non-imitable and non-substitutable value and constraint, thereby making the term 'network resource' akin to social capital (Gulati, Nohria and Zaheer, 2000). Even though the importance of networks and the social capital derived from these networks have been widely discussed, Yiu and Lau (2008) posit that, in emerging economies, social capital, i.e. strategic alliances from technological and marketing alliance ties, has a less positive relationship with corporate entrepreneurship than political and reputational capital. Nevertheless, networks as resource is relevant as discussions on resourcing have progressed from seeing resources as static to recognizing the potential of all things as resources and resources in use (Wiedner, Barrett and Oborn, 2017).

To conclude, this section has shown through the literature review, arguments researchers have advanced on the ability of networks to facilitate entrepreneurial initiatives.

3.0 METHODOLOGY

Our qualitative study was conducted in a financial institution (Company A) and a manufacturing company (Company B) in Ghana. The two companies, one a regional multinational company and the other a global multinational company, were chosen as cases of interest because both companies are industry leaders with notable entrepreneurial achievements. The study, which was retrospective, sought to understand how networks are utilised for resourcing entrepreneurial initiatives during the early phase of development. In addition to determining if networks served any role in the standard resourcing process of each company for developing entrepreneurial initiatives, two initiatives were studied in each of the case companies: in Company A, the development of a mobile app and an investment product; and in Company B, the development of bitters and a non-conventional beer.

We used semi-structured interviews and documents – internal documents and publicly available documents such as annual reports – to understand the strategies of the companies. In both companies, purposeful sampling (Lincoln and Guba, 1985) was used to identify participants. The criteria for selection of participants for the research were: direct involvement in the process of corporate entrepreneurship in the case companies; and active involvement in the development of previous entrepreneurial initiatives. Fourteen interviews were conducted with senior and middle-level management – seven in each company. By triangulating the findings (Miles and Huberman, 1994), we attained theoretical saturation (Glaser and Strauss, 1967) quickly given that in both companies similar sets of individuals worked on developing entrepreneurial initiatives: in the financial institution the initiatives studied were of similar nature; and in the manufacturing company, there were specific individuals responsible for developing initiatives.

As with all data of a qualitative nature, analysis begins and proceeds with data collection (Langley, 1999) so we began identifying emergent themes as data collection progressed. The first stage of data analysis after transcribing was coding each interview. This enabled us to arrive at the first order categories. Next, we identified emerging themes which explained the phenomena we were observing (Gioia, Corley and Hamilton, 2012) and proceeded to group these into aggregate dimensions. These informed the data structure *(see Figure 1)* that enabled us make sense of the data collected in a theoretical manner.

4.0 FINDINGS

The section below presents the findings of the study. Firstly, we present the resourcing process that gives that provides a context for situating networks in the process. Next, we proceed to discussions on the networks and then finally we identify the factors that influence the impact of role of networks in the resourcing process.

4.1 Resourcing process

The corporate entrepreneurship process in both Company A (financial institution) and Company B (manufacturing company) were largely formalized. However, Company B's processes were more formalized than those in Company A. Though both companies had formalized processes, we observed two paths to resourcing initiatives: Company A's approach involved an increased use of external resourcing mechanisms (networks) to support its internal mechanisms whereas Company B's focused on resourcing its initiatives internally. We give an overview of these findings below.

4.1.1 Increased use of external resourcing mechanisms (networks): This path, which involves the use of external means (networks) to support the internal resourcing mechanisms was observed in Company A. In Company A, resource identification occurred through the activities of the champion, usually the product manager, or individuals who conceived the idea, and those of the central development team. Additionally, internal processes such as procurement processes and collaboration with in-house teams were useful for resource identification. Company A also used their networks to identify resources in instances where the initiative was new to them. For instance, a consultant and a telecommunication company had to help identify resource needs for the development of the investment product. An Executive Director of the Company mentioned this saying: *'Around the same time, I met with 'Telco' as key partners to discuss the product and develop resources for its implementation'*. Company A acquired resources internally through the internal stakeholder approval process. Further, champions leveraged internal resources such as human resources and infrastructure to develop initiatives. The Company also recruited staff and outsourced some functions to partners. Particularly for initiatives which were considered reputation enhancing, the champions leveraged existing relationships with strategic business and social partners for resources. Head, Mobile and Internet Banking had the following to say:

> *If it has to involve resources, or any other thing because there are some products that can be developed in-house without involvement of third parties. But if you have to involve third parties then those cost implications you have to clearly spell it out so that we know who will take up the initial costs*.

Additionally, to configure resources in Company A, the activities of the champion, internal teams and developers of the initiative were integral. Following their approach in identifying and acquiring resources, Company A leveraged their relationships with networks such as telecommunication companies, agencies, and government agencies to configure resources. Head of Branchless Banking expressed the need for networks during resource configuration in the following words:

> *Some of the products and services that we initiate you can't do it alone as a bank. You are a financial institution, it is not your DNA to do something like mass distribution, like mobile money. You need a joint, you need strategic partnerships.*

Consequently, we find that the resourcing process of Company A, while being internally driven, involved the use of networks to support the internal processes such as procurement, internal stakeholder approval, and leveraging existing internal resources through informal arrangements such as social networks of the champion.

4.1.2 Greater reliance on internal resourcing mechanisms: In Company B, there was greater reliance on internal mechanisms for resourcing corporate entrepreneurial initiatives. Resource identification in Company B was mostly an internal activity in that most of the processes for identifying resource needs were initiated or driven by internal parties. The Company had cross-functional teams, R&D and design teams, and the local innovation team working closely to identify resource needs for entrepreneurial initiatives. Additionally, Company B leveraged the knowledge of other subsidiaries and used internal processes such as procurement processes for resource identification. Referring to resource identification at the early stages in the process, a Brands Manager in the Innovation team said: *'we needed a PET line … that required an investment in CAPEX so you need to install the line before you even go on to produce because it's quite different from the bottle, the glass line'*. Champions in Company B largely acquired resources internally. Every stage of the process went through stakeholder approval and all resourcing processes occurred as a result of this process. In effect, cannibalization of existing products, leveraging in-house resources, and improvising internally had to be sanctioned by internal stakeholders. In the early stages of developing initiatives, the emphasis was on making use of existing internal resources such as manufacturing plants and bottling lines. A Brand Manager who works on innovations in Company B described this saying:

> *Are you going to need new bottles, the CAPEX that you need, are you going to need things that require capital investment, …you're going to say I need X amount of money to buy raw materials, I need X amount of money to buy bottles, I need X amount of money to buy maybe a machine to do this, ok.*

Mostly, the Company used cross-functional teams, drew on the expertise of the parent company and in some instances consulted other subsidiaries in order to successfully configure resources and develop initiatives. This approach to resourcing was mostly the case due to the highly formalized process for developing entrepreneurial initiatives within the Company and the fact that most of the resources needed were specific to their industry. Therefore, even though Company B used external mechanisms for resourcing, these were mostly related to resource configuration and were marginal thereby making resourcing for entrepreneurial initiatives in Company B greatly reliant on internal mechanisms

4.2 Networks in the resourcing process

Network structure: The network structure relates to the patterns of relationships in the network (Gulati, Nohria and Zaheer, 2000). Both companies had ***business or commercially*** inclined networking relationships. These relationships were transactional in nature and required the exchange of finances for the resources provided to the entrepreneurial company. In Company A, vendors and consultants served as human resource to the company for the development of both the mobile app and the investment product. The newness of the mobile app to Company A and lack of expertise to handle adaptation such as linking it to Mobile Money and agency solutions (electricity bill payment, cable TV payment, etc.) made it imperative to use a vendor to develop the initiative. In this case, it was purely a financial/ commercial transaction between Company A and the vendor. Company A also had companies in their network that provided proprietary services such as market research for commercial exchange. Similarly, Company B employed networks in the form of strategic partnerships for distribution (key distributors) and agency solutions (research, creative and advertising agencies) and in few instances such as in the case where they needed a raw material – cassava, government agencies. These activities with their networks involved commercial payments from the entrepreneurial firms to their networks for resource provision in the form of human resource (technical know-how) or for raw materials. A Brands Manager of Innovations in Company B explained the use of networks saying: *'So once you're building that capacity, extra capacity to be able to accommodate the rest then you can use a third party'*.

Next, we observed networking relationships which were ***organizational***. In both cases because they were MNC subsidiaries, there were relationships with the group, i.e. the parent company and other subsidiaries. In Company B, the parent company provided human resources for researching and developing initiatives with regard to liquid formulations, packaging designs and research. A Former Innovations Manager of Company B had the following to say with regard to the role of the subsidiary's relationship with the parent company: *There's, there's a team that is constantly working on innovations... We have a team in our head office that also works together with the local team in the markets which are responsible for.* Company A's central arm for the development of initiatives which was the project office also provided human resources for the development of entrepreneurial initiatives within subsidiaries. However, it is important to note that these services were not for free, the subsidiaries had to pay for the services provided by the organization. In effect there was a commercial element attached to some of the networking relationships which occurred as a result of the organization. Again, with regard to knowledge, while Company B obtained learning from another subsidiary to help develop its bitters product, Company A was instrumental in providing knowledge to other subsidiaries by sending some of its staff to help them replicate the corporate entrepreneurial initiatives they had already developed and implemented in the Ghana subsidiary. These organizational networks were important from the idea generation stage through to development.

Finally, we observed networks which are ***social*** in nature in Company A. In Company A, even though approval for initiatives was based on their financial viability, a multi-stakeholder approach was taken. As a result, initiatives which were considered largely useful for enhancing the Company's reputation with government, international organizations, regulators, and customers were approved for development. Since such initiatives were not always financially viable in the short term, champions had to devise ways of developing the initiatives by leveraging networks with whom the company already had relationships. For instance, the individual championing the investment product had to contact an international organization interested in financial inclusion for resources to support the development of the initiative. A Senior Investment Analyst in Company A had the following to say:

> *So the Bank was able to contact … a foundation, that promotes financial inclusion especially in the rural areas… And so, they funded the company, ok so the grant, they gave a grant to the company to be able to pay the consultants who will do all, will create the platform, will build the database, and all that.*

Network membership: Network membership could include the identities, status, resource, access, and other characteristics of the network (Gulati, Nohria and Zaheer, 2000). With regard to resource access, both companies got human resources from their networks. In the case of Company A, all their networks, those which were commercial, social and those which related to their organization provided ***human resources or technical know-how*** for the development of their entrepreneurial initiatives. Head, Branchless Banking mentioned this saying: "*And as a* *bank we work hand in hand with them. They had the experience of mass distribution like the FMCGs and we had the know how in financial services. So we worked together to sort of go to market".* Company B on the other hand got human resources or technical know-how through their networks which occurred as a result of their organization. A Former Innovation Manager touched on these dynamics saying: *"they had done some research in Nigeria where it proved to be successful and so there was no point".* Additionally, resources such as raw materials for production were sourced from their networks for developing entrepreneurial initiatives.

With regard to ***finances***, Company A was able to get financial resources in the form of grants from its network because of the social impetus of the entrepreneurial initiatives. By virtue of their reputation with international organizations and the fact that Company A was known to some international organizations for some causes they championed such as financial inclusion, the Company was able to leverage those networks for financial support in developing their initiatives. Head, Branchless Banking discussed this saying*:*

> *The Group partnered with the foundation to do and it was aimed at financial inclusion, so that meant that I had to manage the focus countries as well as Liberia, Ghana and Nigeria at the time. And we had to, so we had a 60 million grant which we had to sort of spend and in the spending you needed to be innovative.*

Again, the networks of Company A provided ***infrastructure*** for the development of their initiatives. Company A's initiatives were technological in nature and required infrastructure such as masts and space to house servers and other technological infrastructure. The infrastructure was provided by Company A's network with no commercial exchange or transaction costs because the networking relationship was mutually beneficial. The Acting Head of Mobile financial services discussed these dynamics saying:

> *'Telco' has a wide network, they have the mast, they have the mobile phones and the network…In fact I must say the telecom operator, operators actually had a lot of resources on the ground. That's what we leveraged on as a bank. One, they have the network, which is very expensive to manage. They had the distribution network, that's the agent network*

Tie modality: Tie modalities consider the strength of relationships and the nature of the ties (Gulati, Nohria and Zaheer, 2000). The relationships that relate to the organizations the two companies belong to can be considered as strong ties. These relationships are interwoven into the very fabric of the organizations and are difficult to disentangle from. They occur as a result of the fact that the companies are subsidiaries of multinational companies and therefore have relationships with their parent companies and other subsidiaries. With regard to its relationship with the group, Company A served as the Anglophone head office of the group, with some of its executives occupying group executive roles. The regional head for Consumer Distribution noted this saying: "*But 'Bank' is the, is the head office for the Anglophone West African Region so some of the officers within 'Bank in Ghana' double at, they have a regional role and they have a country role, like myself".* Therefore, human resources were shared between the parent company and subsidiary simultaneously. In Company B, the group policy stipulated how things were to be done in subsidiaries and human resources in the group office worked on some subsidiary initiatives and some aspects of the process. Therefore, the networks formed in these instances were of a strong nature and the ties were strong. A Former Innovation Manager commented on this saying: "*The truth of the matter is it's a multinational, you don't work until you work together".*

On the other hand, relationships with networks such as those formed between Company A and the international organizations and telecommunication company were weak ties. Nevertheless, these networks were instrumental in the provision of finances in the form of grants, infrastructure and technical know-how for the development of entrepreneurial initiatives in the Company. These network interactions were leveraged for the mutual benefit of parties involved. The international organizations were prepared to provide grants for the development of entrepreneurial initiatives which boosted financial inclusion because of the reputation of Company A whereas the telecommunication company was prepared to help develop the technologically inclined initiatives with Company A because they had previously dealt with them. Commenting on the readiness of the international organizations to deal with Company A because of its reputation, Acting Head of Mobile Financial Services remarked: "*And international organizations know that 'Bank' has been a bank that's, that's you know up to it with digital innovations".*

4.3 Determinant of networks in resourcing: Types of initiatives

The types of initiatives refer to the area of change – product, service, or process; the form of corporate entrepreneurship involved; and the strategic goals – profit maximization or reputation enhancement. These determine the role of networks in the resourcing process of entrepreneurial initiatives.

Company A's initiatives were technologically driven initiatives, meant for the service industry. Due to the technological nature of the initiatives and the fact that the Company did not have the expertise to develop those initiatives, Company A involved its networks for their successful development. Additionally, Company A's initiatives redefined the financial sector in Ghana to a large extent. Its product-marketing pioneering strategy, characterised by the need to gain early mover status meant that some of the initiatives developed were new to both the Company and to the market. Referring to their product-marketing pioneering reputation, Head of Mobile and Internet Banking said: *'we have chalked successes in the past'*. Again, in terms of its strategic goals, we found that the initiative which was reputation enhancing – i.e., while being financially sustainable, has a greater propensity to project the image of the company – had to be partly resourced through networks. Head of Mobile and Internet Banking said the following with regard to processes:

> *let's say I have no funds … I can go and look for a partner who's ready to partner with me to do that. I will put the paper down, tell management this is what it is, if it has to involve any money at all the resources … you look at it with a partner and see how we can share you know, apportion you know the cost of this*

In contrast, Company B's initiatives were new physical products and mostly required the intervention of the group office for their development. Furthermore, the initiatives in Company B involved sustained regeneration, i.e., because they had an R&D department, the Company sought to continuously introduce new products on the market. Since this was an ongoing process, the Company developed means of constantly combining internal resources for its initiatives. Company B's strategic goal was mainly a profit maximizing one – concerned with ensuring that maximum financial returns were obtained from initiatives. As a result, initiatives went through a rigorous process of financial justification to obtain approval and access to resources. Former head of innovation expressed this saying:

> *and then also we also look at the ambition, ok, in terms of volume ambition, the net sales value ambition, the cost margins that you will get from, I mean the cost margins… where you have your goals and all that stated and you would almost need to be looking*

> *… the financial and what kind of CAPEX is required in driving that innovation in the market and whether we had the, the required tools in place to be able to deliver that*

Hence, strategies for resourcing within the company were institutionalized to overcome resource constraints.

5.0 DISCUSSION

The aim of the study was to understand how networks impact resourcing of corporate entrepreneurial initiatives. To this end, our comparative study between a financial institution and a manufacturing company indicated that networks were more important for developing corporate entrepreneurial initiatives which had a social impetus and were less important for more corporate entrepreneurial initiatives with purely commercial interests. Having said that, the most significant outcome of this research has been a process model that establishes the relationship between the types of initiatives developed, the resourcing process, and the networks in the resourcing process.

The research shows that a company may be more likely to leverage networks during the resourcing process when the initiative being developed has more reputation enhancing effects because of its social impetus than commercial impetus. The resourcing of entrepreneurial initiatives for both Companies was internalized for profit maximizing initiatives, that is initiatives which had immediate financial returns for the companies. However, Company A leveraged networks for resources when developing initiatives which were more reputation enhancing or when developing initiatives which were new to the company. The need to leverage networks to develop technological initiatives, particularly in hypercompetitive environments (Teng, 2007) is understandable since any delays in developing the initiatives will lead to obsolescence. While the networking arrangement for resourcing serves the need of the entrepreneurial firm to develop a source of new revenue, the idea of economic exchange (Larson, 1992) did not quite fit into the networking relationship between Company A and its partners who facilitated the resourcing processes for socially driven entrepreneurial initiatives. Perhaps, the more relatable condition for these networking relationships was that the arrangement were mutually beneficial – the international organizations were able to champion their causes by resourcing these entrepreneurial initiatives while the entrepreneurial company perceived the initiatives as economically viable in the medium or long-term and reputation enhancing in the short-term.

While both companies relied on networks as a resource, the types of networks were different for both companies. Floyd and Wooldridge (1999) discuss the role of weak and strong network ties in relation to knowledge acquisition within and outside the organization. They argue that weak social ties while less likely to convey more information than formal organizational relationships (strong ties), could provide a large base of information that is not subjective. Company B’s networks comprised mostly of agencies, the global office and other subsidiaries of the group. The types of initiatives Company B developed made it possible to leverage two extreme types of relationships, those which were close at one end of the spectrum, and the other being relationships which were purely transactional and required financial exchange to thrive. Company A on the other hand, required other forms of relationships in addition to those conferred by the group and those involving financial exchanges. The first set of relationships are those which existed by virtue of Company A’s reputation with entities such as the international foundations that were mutually beneficial for Company A and the entities. The second set of relationships were those which already existed in one form of the other such as those of client and service provider and were subsequently exploited for benefit of parties involved. It appears from this last arrangement that the nature of the previous relationship was important in facilitating later relationships that allowed for leveraging and exploiting the relationship as a resource (Gulati, Nohria and Zaheer, 2000). In effect, the concept of appropriable organization (Nahapiet and Ghoshal, 1998) is applicable to the change of these networking relationships and the new patterns that arose as a result of the changes. With regard to resource configuration, Company A employed strategic relationships with both business and social partners for resources. Evidently, Company B leveraged mostly strong ties whereas Company A leveraged mostly weak ties for resourcing entrepreneurial initiatives. Therefore, it is possible to argue that, the types of initiatives might in fact be relevant in determining the types of networks that serve the purposes of organizations in resourcing initiatives.

Furthermore, although Yiu and Lau (2008) indicate that in emerging economies political and reputational capital are more relevant than social capital for the performance of corporate entrepreneurial initiatives, the empirical evidence suggests that in cases such as in Company A where there were strategies to leverage relationships because of the newness of initiatives or for mutual benefits, the very success of initiatives was hinged on the social capital of the organization. Because the initiatives of Company A were mostly ecosystemic in nature, its resource needs lay outside its boundaries. However, Company B limited its exposure to external resource markets to instances where that was the only option conceivable. This shows that companies will only leverage external sources if resources cannot be developed and accumulated internally (Maritan and Lee, 2017; Teng, 2007; Floyd and Wooldridge, 1999; Greene, Brush and Hart, 1999).

Moreover, the empirical evidence suggests that the approach used for identifying resources lends some insight into how resources will be acquired and configured. Consequently, Company A leveraged networks in configuring its resources whereas Company B used networks sparingly. It is possible that Company B adopted this approach because the systems and processes were so developed that there was little need for the involvement of external parties. It might also have been due to fear that the involvement of third parties might compromise their trade secrets such as recipes. However, Company A could risk collaborations because the benefits accruing from those collaborations were mutual and therefore the possibility that partners would act out of the terms of the agreements was low.

Thus far to the best of our knowledge, no linkage has been made between forms of corporate entrepreneurship and the resourcing approaches companies employ. This study forms an early appreciation of such linkages by showing the reasoning behind the adoption of certain resourcing approaches for some forms of corporate entrepreneurship. For instance, for companies defining their domain as Company A did, there might be the need to involve external parties or networks in the resourcing process, particularly in identifying and configuring resources. This study also shows that companies which are constantly involved in R&D and employ a sustained regeneration form of corporate entrepreneurship like Company B may most likely institutionalize an internal resourcing process.

To conclude, this section has elaborated on some types of relationships that companies may draw on for resourcing initiatives. While this research provides some interesting insight for understanding the resourcing process of corporate entrepreneurship, particularly processes related to networks, the fact that both companies were subsidiary companies creates opportunities for research into other contexts such as large indigenous companies and small and medium scale enterprises. Additionally, further research may be conducted on the linkages between forms of corporate entrepreneurship and the paths to resourcing firms take. This research may provide ideas to practitioners on how to structure their resourcing processes to suit their objectives.

6.0 CONCLUSION

This study which sought to gain insight on how networks impact the resourcing of corporate entrepreneurial initiatives during the developmental stage involved a comparative process study between a manufacturing company and a financial institution in Ghana. We found that the types of initiatives developed determine the resourcing process adopted for developing the initiatives and subsequently the role networks play in this process. We also found that networks were more important for the development of entrepreneurial initiatives which enhanced the reputation of the firm because of their social impact than for those which were purely commercial. Further, the study generates some insights on the types of relationships – social, commercial, or organization – that may be leveraged for resourcing; and shows that a greater reliance on either internal or external resourcing mechanisms for identifying resources may lead to similar approaches for acquiring and configuring resources. Finally, the study shows that possibly, there may be linkages between the forms of corporate entrepreneurship and the resourcing approaches adopted.

It is hoped that by contributing to discussions on the role of networks in the resourcing process of corporate entrepreneurial initiatives, researchers and practitioners alike will be able to make more informed decisions on the study and practice of corporate entrepreneurship.

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APPENDIX

Figure 1