INTRODUCTION
Innovation is central to the survival and sustainability of a firm’s competitive position in modern day business environment. Innovation is perceived as the driving force behind the success of successful start-ups and existing businesses (Bessant, 2003). The skill to spot opportunities and create new ways to exploit them is the heart of innovation process (Christenson and Raynor, 2003) and this has been the hallmark of innovative enterprise. They typically achieve stronger growth, increase market share and profitability (Swan, 2003). The steady growth and transformation witnessed in Nigeria’s musical hip-hop industry has been anchored on the innovative skills of the artist, and this is not simply about their high-tech instrument but their networking skills. These musical entrepreneurs have over the years recognised the power of networks as a strong means of assessing resources beyond their control, boosting their learning skills and enhancing their innovative prowess. This act aligns with views of Aldrich and Zimmer (1986) that opportunity recognition is influenced by entrepreneurs’ participation in social and business networks which over time stimulates their innovative skills. Studies by Arent and Janet (2003) confirmed that entrepreneurs enlarge their networks to get crucial information from knowledgeable others to stimulate their innovative skills. These, over time lead to successful outcome (Hansen 2001). Consistent with studies by Peltier et al., (2012) entrepreneurs entrenched in network relationship over time develop social identities that impact the value of information seeking and sharing from customers and competitors. Armed with this information, they innovate early to sustain their competitive position. While attempting to innovate, entrepreneurs carefully select people with whom to discuss their ideas (James and Naidu 2012). They maintain and enlarge networks around key persons with prior experience and other resources. Such networks help connect and achieve strong innovative decision capable of turning ideas and knowledge into products and services. This study, therefore, aims at examining the relationship between entrepreneurial networks and their innovative skills to ascertain the degree of influence the network has on the innovativeness of entrepreneurs.

LITERATURE REVIEW
Networking
Networking is one major strategy pursued by entrepreneurial firms and individuals in order to gain access to resources and cope with environmental uncertainty and impediment in their operations. (Alvarez and Barney 2001; Steensma et al. 2000). Dubini and Aldrich (1991) perceived networking as an activity by which entrepreneurs obtain potential information about untapped opportunities. Related views by Coviello and Cox (2006)
noted that networking is a metaphor used to represent a set of connected actors. The actors may be either organisations or individuals and the relationship that ties them together may take the form such as those between customers, suppliers, service providers or government agencies. Kirzner (1997) observed that networking enable firms to come into mutual awareness, discovering differences of prices and resources availability generated through entrepreneurial activities. These views gave an insight about the relevance of networking in acquiring information about entrepreneurial opportunities. Such information and opportunity if well harnessed and established could stimulate the renewal and modification of firm's capabilities. Affirming these views Josef and Peter (1996) stressed that entrepreneurs who referred to a broad and diverse social network received much support from their networks and are more successful. Arising from this, we should consider the sustainability of firm's competitive position, then strategic utilisation of fruitful networks is an imperative action needed to exploit opportunity; as such networking is directly connected with the very idea of entrepreneurship because it promotes the awareness of an individual to unidentified opportunities that could lead to innovation.

Innovative and Networking Capability

Networking and Innovative capability refer to the firm's overall innovativeness and proactiveness in the identification and pursuit of opportunity through entrepreneurial networks. Entrepreneurial networking refers to the firm's ability to obtain resources from the environment through alliance creation and social networks. Innovative capability refers to the firm's ability to espouse new and creative ideas, product or processes for the benefit of the firm and its stakeholders. The ability of the firm to absorb knowledge gained through participation in an external network is critical to successful innovation (Cohen and Levinthal 1990). Networks widen the opportunity and access to key resources from the firm's environment and this has the potential to maintain or enhance competitive advantage. This aligns with the views of Von Hippel (1988) that networks and alliances of customers, suppliers, competitors and other non-market participants are a key source for innovations. Supporting this view, Zhang et al. (2009) affirmed leading innovators encouraging and understanding the powers of networks in achieving and seeking new ideas for innovation. Studies by Kelley et al. (2002) describe networks as finite numbers of members through which diverse and situation-specific knowledge needs of an innovation project can be accessed across the organisational environment. This by implication suggests that networks contribute to the innovative success of firms through the identification of new ideas, market opportunities and knowledge building.

METHODOLOGY

The study was done in selected firms in the Nigerian plastic industry. The managements of the firms, however, preferred their firm's name to be anonymous in the study; as such anonymous names such as OKONDO, FUNKY, TIKU and YAD were used as proxy for the selected firms. The choice of the firms was based on the number of years they have been in active operations in the industry. Data for the sample was gathered with the aid of structured questionnaires. A set of multiple items reflecting a 5-point Likert scales was used to measure each variable in each construct. A total of 280 questionnaires (70 each to OKONDO, FUNKY, TIKU70 and YAD respectively) were administered across the four firms. Respondents for the study comprised management staff, heads of functional units and other employees. The questionnaires were administered across functional units. This ensured that each functional unit participated in the survey. A simple random technique was used in each functional unit to make sure the employees had equal chances of being selected. A total of 248 questionnaires were retrieved from the field confirming 88.5% response rate. Following the data screening and evaluation, 238 (96%) cases finally constituted the data used for analysis.

MEASURES OF STUDY VARIABLE

Networking and Innovative capability was considered as a latent multidimensional scale. Networking capabilities were viewed as a set of connected actors (individuals or firms) and the relationship that tied them to customers, suppliers, government agencies, service providers and competitors (Zhang et al., 2009). Innovativeness was viewed as employee's tendency to engage in support of new ideas, novelty, experimentation and creative processes that may result in new product processes or technology. This is consistent with the works of Wang (2008) and Miller (1983).

MODEL SPECIFICATION

Following the construct specification the measurement theory model tested was developed as indicated in Figure 1.

The model displayed two latent constructs with 6 measured indicators. The constructs were allowed to correlate with all other constructs. The constructs were reflective in nature since they were based on the idea that the latent constructs caused the measured variables and that error resulted in the inability to fully explain the measured variables (Hair et al. 2010). The measured items were allowed to load on only one construct. This is consistent with rules of unidimensional measures that a set of measured variables (indicators) can only be
Innovative capability entrepreneurial firms

Following the specification of the model, CFA was performed to compare the theory with the data in order to ascertain the fit. The fit of the model was assessed, based on three estimated fit indices – absolute fit, parsimony fit and incremental fit. The measurement model fit index accounted for chi-square ($\chi^2$) of 211, $df = 180$, $p = 0.000$, $\chi^2/df = 1.173$, RMSEA = 0.06, GFI = 0.952. The result indicates an adequate fit accepted on the aforementioned criteria.

The fit of the structural model in Fig. 1 was also assessed using the absolute fit, parsimony fit and incremental fit indices. The fit resulted in measures of chi-square ($\chi^2$) of 208, $df = 196$, $p = 0.000$, $\chi^2/df = 1.733$, RMSEA = 0.07, GFI = 0.952. The chi-square statistics is significant but other relevant indices indicate a good overall fit (Tippins and Sohi, 2003).

Reliability and Validity of Measures

A construct validity test (unidimensional, reliability and validity) was done to determine the extent to which indicators actually measure their constructs. Series of tests to measure the properties of the indicators were conducted using confirmatory factor analysis. Reliability was assessed using Cronbach alpha. The construct measures (networking and innovation) met the recommended level of 0.70 and are therefore specified as sufficient in their representative of the construct.

<table>
<thead>
<tr>
<th>Construct</th>
<th>Number of indicators</th>
<th>Reliability</th>
</tr>
</thead>
<tbody>
<tr>
<td>NC</td>
<td>3</td>
<td>0.77</td>
</tr>
<tr>
<td>IN</td>
<td>3</td>
<td>0.85</td>
</tr>
</tbody>
</table>

$NC = \text{network}; \ IN = \text{innovation}$.

Based on the outcome of the result as shown in Table 1 the hypothesis specified for the study was tested.

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Parameter</th>
<th>Supported?</th>
</tr>
</thead>
<tbody>
<tr>
<td>$H_1 = NC \rightarrow INV 0.615$</td>
<td></td>
<td>Yes</td>
</tr>
</tbody>
</table>

The relationship between the firms’ networking capability and the innovative attitude of employees has a positive effect with the record of 0.615 and a $p$ value of 0.01. From the result, it was discovered that networking capability of the firms through their relationship with customers, suppliers and other entrepreneurial collaborations with external partners strongly aided the innovative behaviours of employees by giving them the confidence needed to be original in their quest to trying new ways of doing things knowing full well that their collaborative partners are equally forthcoming in other ways. The findings affirmed the ability of firms to absorb knowledge gained through participation in an external network. This is critical to achieving successful innovation (Cohen and Levinthal, 1990).
CONCLUSION

Following the findings and discussion, the under listed conclusions were derived:

i. Networks contribute to the innovative success of firms through the identification of new ideas, market opportunities and knowledge building.

ii. Individuals’ and firms’ networks are at the heart of innovation in the Nigeria plastic industry.

iii. Networking capabilities stimulates the innovativeness of employees in the industry.

iv. Insight on entrepreneurial opportunities were derived more through networks.

RECOMMENDATION

i. Entrepreneurs and business owners should endeavour to build and sustain networks with high yield.

ii. More orientations on the use of networks as resources needed for organisation growth is imperative for employees.

REFERENCES


QUESTIONNAIRE

Please indicate your reaction to each of the following statements by ticking an option ranging from strongly disagree to strongly agree.

Sex
- Male
- Female

Marital Status
- Married
- Single
- Divorce

Age
- 18-30
- 31-40
- 40-50
- 50 and above

Status
- Management staff
- Senior staff
- Junior staff

ENTREPRENEURIAL BEHAVIOUR

Innovativeness

1. Employees in my organisation respond to the adoption of new ways of doing things.
- Strongly Disagree
- Disagree
- Neutral
- Agree
- Strongly Agree

2. Employees in my organisation are encouraged to think and behave in original and novel ways.
- Strongly Disagree
- Disagree
- Neutral
- Agree
- Strongly Agree

3. Employees in my organisation are willing to try new ways of doing things and seek unusual solutions.
- Strongly Disagree
- Disagree
- Neutral
- Agree
- Strongly Agree

Risk Taking

1. Employees in my organisation have a strong propensity for high risk project and commitment with chances of high returns.
- Strongly Disagree
- Disagree
- Neutral
- Agree
- Strongly Agree

2. Employees in my organisation are willing to initially commit personal resources to support the organisation in their effort at identifying, discovery and exploiting opportunity.
- Strongly Disagree
- Disagree
- Neutral
- Agree
- Strongly Agree

3. A change in the environment or shift in the firm's position was as a result of firms and employees response to exploring risky and unknown alternatives leading to renewing capabilities.
- Strongly Disagree
- Disagree
- Neutral
- Agree
- Strongly Agree
CAPABILITIES

Networking

1. We have strong technology based links with customers in the market.
   Strongly Disagree  Disagree  Neutral  Agree  Strongly Agree
2. We have strong technology based links with suppliers in the market.
   Strongly Disagree  Disagree  Neutral  Agree  Strongly Agree
3. We have entrepreneurial collaboration with external partners.
   Strongly Disagree  Disagree  Neutral  Agree  Strongly Agree

Marketing

1. Our organisation uses marketing tools to differentiate its product from competitors.
   Strongly Disagree  Disagree  Neutral  Agree  Strongly Agree
2. In the past five years our organization has marketed a large variety of new lines of product or services.
   Strongly Disagree  Disagree  Neutral  Agree  Strongly Agree
3. Our organisation eliminates operations at the decline or mature stage of lifecycle.
   Strongly Disagree  Disagree  Neutral  Agree  Strongly Agree

Learning

1. Our organisation ability to learn is the key to our competitive advantage.
   Strongly Disagree  Disagree  Neutral  Agree  Strongly Agree
2. Learning in my organisation is seen as a key commodity necessary to guarantee organisation survival.
   Strongly Disagree  Disagree  Neutral  Agree  Strongly Agree
3. The sense around here is that employee learning is an investment not an expense.
   Strongly Disagree  Disagree  Neutral  Agree  Strongly Agree

Managerial Capability

1. Managers basically create a workplace culture that facilitates employees’ growth.
   Strongly Disagree  Disagree  Neutral  Agree  Strongly Agree
2. The basic values in this organisation include collaborative decision making.
   Strongly Disagree  Disagree  Neutral  Agree  Strongly Agree
3. Managers in this organisation nurture creativity and innovation.
   Strongly Disagree  Disagree  Neutral  Agree  Strongly Agree