MEDIATING ROLE OF BUSINESS NETWORKING TIES IN THE LINK BETWEEN ENTREPRENEURSHIP AND POVERTY REDUCTION

Usman Ladan Kurya
shehulkm64@gmail.com
Samson Waibe Bature
samwebs2014@gmail.com
Lawali Ya'u
yaulawli1970@gmail.com
School of Business Education Federal College of Education (Technical), Gusau
&
Shuaibu Mohammed Surajo
surajmuhammed@gmail.com
Department of Business Education School of Vocational and Technical Education
Federal College of Education, Zaria

ABSTRACT

Extant literature reveals entrepreneurship plays vital role in reducing poverty. However, there seems to be no explanation as to how entrepreneurship brings about poverty reduction. Therefore, this study examines the mechanism through which entrepreneurship reduces poverty. The study perceived business networking ties as a mechanism through which entrepreneurship may reduce poverty. To achieve this, the study utilizes data from 226 entrepreneurs in the entertainment industry operating in north-west, Nigeria. The data was obtained via a self-administered questionnaire which took the form of cross-sectional survey. Results of the smart partial least squares – structural equation modelling (SmartPLS-SEM) analysis reveal that business networking ties mediates the relationship between entrepreneurship and poverty reduction. It shows that the more collaborations among entrepreneurs, the better their living condition. Thus, this may encourage building of networking ties among entertainers or businessmen or entrepreneurs and equally guide policymakers to initiate policies that may boost networking ties among entrepreneurs.

Keywords: Entrepreneurship, networking, poverty, collaboration, innovativeness

Introduction

Extreme poverty is one of the pressing social phenomena confronting the world economy today (Roser & Ortiz-Ospina, 2020). Concerned with this social phenomenon, the goals of global economy reflect concerted efforts toward minimizing poverty. For instance, The United Nations Millennium Development Goals (MDGs, 2000-2015), as well as the Sustainable Development Goals (SDGs, 2015-2030) are typical global poverty reduction plans. Poverty reduction is pivotal to the SDGs as its first goal focuses on bringing all ramifications of poverty to an end by 2030 (see Hubacek et al., 2017).

A look at the national level, various governments had evolved several strategic actions to alleviate poverty among the populace. In Nigeria for example, successive regimes had initiated different schemes, programmes, or policies to overcome the scourge of poverty. Such initiatives include but not limited to the following: National Directorate of Employment (NDE); Poverty Eradication Programme (PEP) which was later changed to National Poverty Eradication Programme (NAPEP); National Economic Empowerment and Development Strategy (NEEDS), as well as the Social Intervention Programs (SIP) with its numerous components which include, Home Grown School Feeding Programme, and N-Power.

Although statistics show tremendous levels of achievement in the campaign for poverty reduction in Europe, America, and some parts of Asia, lots still need to be done in Africa specifically, in the Sub-Saharan region. Sub-Saharan Africa has emerged as the region with worst incidence of poverty to the extent that global extreme poverty is gradually viewed as a Sub-Saharan phenomenon. For instance, World Bank (2018), reports that 46 per cent of the world's population as at 2015 live in extreme poverty. According to the report, 84.5 per cent out of the 46 per cent live in Sub-Saharan Africa (see Idowu et al., 2020). Regrettably, Nigeria has the highest number of people living in extreme poverty in Sub-Saharan Africa region. To add to this, the literature indicates that at the end of May 2018, 87 million Nigerians live in extreme poverty, making Nigeria the poverty capital of the world, (Vanguard June 25, 2018). In a related development, World Bank, in its 2019 Nigeria Economic Update Report, urged Nigerian Government to take proactive measures to avoid slipping back into economic recession as about 50 per cent of its almost 200 million population live below the international poverty line of $1.90 (approximately, N760) a day, (Punch December 3, 2019).

From the forgoing, it implies that despite efforts of varied administrations to curtail the incidence of extreme poverty, the phenomenon is still endemic in Nigeria. However, several studies (e.g., Ahlstrom & Ding, 2014; Idam, 2014; Kimmitt et al., 2019; Si et al., 2015) suggest that entrepreneurship is a promising avenue for poverty reduction. Besides, findings revealed entrepreneurship is a veritable tool for poverty reduction (see Bhuiyan & Ivlevs, 2019; Ogidi, 2014; Tobias Mair, & Barbosa-Leiker, 2013). However, the underlying mechanism or process through which entrepreneurship activities reduce poverty in emerging economies remains unclear (Kimmitt et al., 2019; Wu & Si, 2018). In other words, not much is known in the literature as to how entrepreneurship reduces extreme poverty. Therefore, to address this knowledge gap, the current study aligns with the perspective of Sutter et al. (2019) to examine the mediating role of business networking ties in the relationship between entrepreneurship and poverty reduction.

Achieving the stated research objective means having an understanding of the process or mechanism through which entrepreneurship reduces poverty which would further entails enormous contribution to theory and practice (Tobias et al., 2013). For example, the study would offer explanation as to what is process or mechanism through which entrepreneurship reduces poverty. Thus, a huge addition to the literature on entrepreneurship. Also, entrepreneurs, businessmen, and policymakers alike may benefit from the outcome of this study.

The remaining part of the paper is structured as follows: the next section focuses on theoretical background and hypothesis development. Follows by research method employed which include a description of the research design, setting, sampling technique and sample, data collection tool, measures for each variable, and instrument validation, as well as data analysis technique. Lastly, the results, discussion, implications, and conclusion.

Literature review

Poverty reduction

It is often difficult to capture the entire meaning of poverty in a single definition because there are different perspectives that explained the phenomenon (United Nations, 2017). In line with the United Nations' (2017) description of poverty as stated earlier, poverty entails the inequalities that leave some people far away from the social mainstream to the extent that the deprivations they experience push them below what is viewed as basic standards of living. In other words, poverty refers to a lack of food, little engagement in social activities, and a general lack of resources for maintaining basic living conditions (Wu & Si, 2018). This implies that poverty is a consequence of scarce resources (Kimmitt et al., 2019).

In the same vein, Shepherd et al. (2020) view poverty as lack of access to material and social resources, having low rank or prestige in relation to others, lack of higher educational attainment, limited access to social capital, and having high risk of experiencing health-related

problems due to reduced access to health care. From a more specific perspective, poverty is the failure or absence of opportunity to create reasonable income for a living. The international poverty line as specified by World Bank considers any person to be in extreme poverty if they live on less than $1.90 per day. This implies that the poor (people that live on less than $1.90 per day) are often unable to create income to maintain better living conditions (Roser & Ortiz-Ospina, 2020).

Taking a clue from the definitions of poverty so far, poverty is view in this study as the inability to create income which culminates to inadequacy of resources to feed and clothe well, pay children's school fees, obtain medical treatment in terms of sickness, mingle freely with others and undertake fully in societal activities. Therefore, poverty reduction means the ability to reverse all the aforementioned limitations to afford a good standard of living and undertake fully in societal activities. In this study, poverty reduction will mainly focus (however not entirely) on perceived income creation ability and consumption pattern corresponding to comfortable living standard in line with the World Bank and UNDP's Human Development Index approaches.

Entrepreneurship and poverty reduction

Entrepreneurship is widely regarded as the act of introducing/creating goods, services, markets or routine operational procedures/processes through the formation of new means to make ends meet (Shane & Venkataraman, 2000). Similarly, Idam (2014) conceptualizes entrepreneurship as the act of opportunity recognition and utilization under condition of uncertainty to create a value/market or reorganize existing products/markets to generate employment and create wealth. Recently, entrepreneurship is viewed as an act of transformational change that may extend to social or institutional domains (Sutter et al., 2019). Better still, entrepreneurship is a concept that depicts a series of activities that entrepreneurial actors engage to generate value or wealth (Tobias et al., 2013).

Basically, these entrepreneurial activities are proactiveness, risk-taking, and innovativeness (Covin & Slevin 1989; Idam, 2014; Miller, 1983). Proactiveness entails the entrepreneurial activity that seeks for future market opportunity based on environmental demand (Hughes & Morgan, 2007). While risk-taking expresses the willingness of an entrepreneur to utilize enormous resources to embark on venture that may lack certainty of yielding returns, innovativeness is that entrepreneurial activity that offers support for and pursuit of novel ideas and creative processes through experiment or feasibility study (Lumpkin & Dess, 1996).

According to Anyadike et al., (2012), entrepreneurial activities activate all the factors of production, disperse economic activities, thereby integrate backward regions or lower demographic class into the stream of societal agenda toward economic growth and development through creation of employment opportunity, income generation or wealth creation, increase productivity, as well as improve standard of living of the weaker sections of the society. Consequently, in line with the objectives of the present study, entrepreneurship is viewed as proactive, risk-taking, and innovative efforts to introduce/create products, markets or operational procedures/processes for a value that seek to improve the standards of living of entrepreneurs by lifting them out of extreme poverty.

Evidence from extant literature shows that entrepreneurship has the potentials for lifting individuals out of extreme poverty via wealth creation (e.g., Bradley et al., 2012; Kimmitt et al., 2019; Shepherd et al., 2020; Sutter et al., 2019; Tobias et al., 2013). For instance, Bradley et al. (2012) posit that income generation is a critical consequence of entrepreneurial activities. It implies that entrepreneurial activities boost individual's prosperity as well as those of dependants (Sutter et al., 2019). Perhaps, this explains Chliova's et al (2015) argument that entrepreneurial activities could thwart the negative implication of poverty by ameliorating the present and/or future conditions of entrepreneurs. Similarly, Kautonen et al. (2017) opine that

entrepreneurship role of creating wealth enhances one's social mobility and advancement toward life fulfilment.

In a related development, Kimmitt et al. (2019) view entrepreneurship as an avenue for improving individuals' living condition in the society. This implies that entrepreneurship alleviates poverty through the reasoning - given that poverty is a function of lack of income, emphasis on entrepreneurial activities will allow for creation of sustainable income flow (Sutter et al., 2019). In other words, once entrepreneurship is stimulated among the poor, the value captured by the entrepreneur in the form of income will contribute to alleviating suffering and improving living conditions of the poor (Bruton et al., 2013). Further, Uy et al. (2017) posit that improvement in basic living conditions in scarce-resource settings may be achieved through entrepreneurial activities due to the prospect of employment generation and wealth creation. Moreover, Si et al. (2015) reveal that more than 80 per cent of market opportunities that were created are ultimately related to entrepreneurial activities. This reflects a strong relationship between entrepreneurship and poverty reduction. However, Si et al. (2015) and Wu and Si (2018) contend that poverty alleviation through entrepreneurship is an internal process which allows entrepreneurs to undertake positive actions to get themselves out of extreme poverty without having to rely solely on external help from microfinance institutions government or charitable agencies such as NGOs.

In another development, the role of entrepreneurship in terms of improved consumption pattern and child schooling has been stressed in the literature (Bhuiyan & Ivlevs, 2019). For example, Shepherd et al. (2020) shed light on entrepreneurs' trust that their success in business will facilitate their children's educational attainment, which may in turn lift them out of extreme poverty in the future.

Ali and Ali (2013) reveal that entrepreneurship development wields a positive but weak influence on poverty reduction in Benadir region of Somalia. Also, using data collated from SMEs in Enugu-North L.G.A of Enugu State, Ogidi (2014) reports a positive relationship between women entrepreneurship and poverty reduction. In the same vein, Adebayo and Nassar (2014) exhibit significant influence of entrepreneurship on poverty alleviation in Ibadan, Nigeria. In addition, Ogunlusi et al. (2018) examine the effect of entrepreneurship on employment generation and poverty alleviation among business co-operative societies in south-west region of Nigeria. The findings demonstrate a significant influence of entrepreneurship on poverty reduction.

From the foregoing, we argue that entrepreneurial activities contribute immensely to poverty reduction via creating new products, new markets, new technology, new operational procedures/processes, and/or reorganizing existing products, markets or processes. This in turn creates employment opportunity, generates income, and increases social wealth and eventually brings about improvement in standards of living. In a nutshell, we contend that individuals with strong emphasis on entrepreneurial activities are more likely to get out of extreme poverty. This line of argument aligns with Schumpeter's perspective of economic development theory which places the entrepreneur at the centre stage of economic development (Brown & Ulijn, 2004; Łukasz, 2014). The theory suggests that entrepreneurial activities in terms of exhibiting proactive behaviour to undertake new venture in conditions of uncertainty for delivering unique value or creating new market would generate employment, create income, build social wealth and improve standards of living which culminate into improved economic growth and development. Thus, we hypothesize that:

H1: Entrepreneurship is positively related to poverty reduction

As argued earlier, the underlying mechanism or process through which entrepreneurship activities reduce poverty in emerging economies remains unclear (Kimmitt et al., 2019; Wu & Si, 2018). In other words, not much is known in the literature as to how entrepreneurship reduces extreme poverty. Therefore, to address this knowledge gap, the current study aligns

with the perspective of Sutter et al. (2019) to examine the mediating role of business networking ties in the relationship between entrepreneurship and poverty reduction.

Mediating role of business networking ties in entrepreneurship-poverty reduction relationship

Taking a clue from Nahapiet and Ghoshal (1998), networking ties is the availability of resources and information to firms as a result of their interrelatedness within the dynamic and competitive business environment. In the same vein, Adler and Kwon (2002) posit that networking ties means resources available to business players as a function of their level of collaborations in the business environment. Therefore, the present study view business networking ties as the relationships that exist amongst entrepreneurs (competitors), between entrepreneurs and suppliers, customers, industry associates, and other business allies.

Investigating underlying mechanisms that transmit entrepreneurship effects to poverty reduction is crucial for advancing understanding of the entrepreneurship-poverty reduction relationship (Sutter et al., 2019; Tobias et al., 2013). The social network theory is deemed an appropriate perspective to explain the intermediate mechanisms in the entrepreneurship-poverty reduction relationship (Atalay et al., 2017; Sutter et al., 2019). However, it seems the present study is among the first to explore this assumed relationship.

In the preceding sections, the current study argues that entrepreneurial activities motivate firms to form business networking ties to access and acquire crucial information, knowledge, and other resources required for effective value delivery in dynamic and competitive business environment. In turn, the ability to access and acquire these crucial information, knowledge, and other resources across organizational boundaries contributes in a large extent to meeting markets demands or needs thereby, reducing poverty among entrepreneurs. Thus, in line with the social network theory, this study contends that business networking ties is the process or mechanism through which entrepreneurship improves entrepreneurs' standards of living condition. In other words, business networking ties offer explanation as to how entrepreneurship affects poverty reduction. Therefore, the hypothesis:

H2: Business networking ties will mediate the relationship between entrepreneurship and poverty reduction

Methods and materials

The empirical setting of this research is the entertainment industry in north-west region of Nigeria. The entertainment industry is perceived as a specific category of industry that rests on customized individual initiatives (i.e., entrepreneurial activities) requiring considerable interaction (i.e., business networking ties) with industry experts, customers/fans, suppliers, and competitors to deliver unique value to the market. Thus, in alignment with the objectives of the present study, the entertainment industry is more appropriate to serve as the empirical setting of this research. Besides, the entertainment industry in Nigeria is presently making much waves (Husseini & Sunday, 2019) as many talented young graduates are either attracted into music, movie, or comedy. Further, taking into cognisance the position of Lawal et al. (2018) that survey of a single industry with homogeneous features may yield robust results and provide deeper insights about the matter under investigation, the entertainment industry was carefully chosen for this study.

The states in the north-west region include Jigawa, Kaduna, Kano, Katsina, Kebbi, Sokoto, and Zamfara. North-west, Nigeria was selected for the field study because evidence in the literature reveals that most entrepreneurship-poverty reduction related studies in Nigeria were conducted in other regions (see, Adebayo & Nassar, 2014; Ogidi, 2014; Ogunlusi et al., 2018). This shows that the north-west region is left out of entrepreneurship-poverty reduction related studies. Thus, a research gap exists. To bridge the research gap, north-west region was selected. Quite apart from the aforementioned, World Bank report states that the north-west region accounts for almost half of all those living in extreme poverty. Also, 87 per cent of all

people living in extreme poverty in the country as 2019 are from the north (National Bureau of Statistics, 2020). Therefore, if the outcome of this study would have any implications in terms of practice, as well as add to the stock of knowledge in the field of entrepreneurship as its relates to poverty reduction, couple with supportive government policy and assistance, a sizeable proportion of people living in extreme poverty might be lifted out of poverty.

The current study employed a snow-ball sampling technique to obtain adequate data from entrepreneurs in the entertainment industry in each state of the north-west region of Nigeria. This sampling technique is deemed suitable because participants refer researchers to appropriate target audience (Sekaran & Bougie, 2016). The study adopted cross-sectional survey to hand-deliver a total of 520 questionnaires to entrepreneurs (i.e., musicians, comedians, film actors/actresses, etc.) in the entertainment industry across seven states in north-west region.

To measure poverty reduction, an eight-item instrument adapted from Fusco (2003) and United Nations (2017) was utilized. While entrepreneurship was measured by a 10-item instrument adapted from Bolton and Lane (2012), business networking ties was evaluated using six-items adapted from Shane and Cable (2002), and Yiu et al. (2007). All the instruments were scaled on a five-point Likert scale ranging from strongly disagree representing one (1) to strongly agree representing five (5).

In line with Yaghmale (2009), and Polit and Beck (2006), experts in the field were contacted to examine the face and content validity of the instrument. Also, to ensure for high response rate, the researchers employed the back-translation method as suggested by Brislin (1980). At firstly, the instrument which was originally written in English language was translated to Hausa by Hausa language experts and interpreters. Thereafter, the Hausa version was back translated to English language by another set of Hausa language experts and interpreters to ensure conceptual equivalence. Subsequently, a pilot test was conducted to further correct any inadequacies in the instrument before the main survey (Sekaran & Bougie, 2016). Results of the pilot test from analysis with the aid of statistical package for social science (SPSS version 25) and smart partial Least squares - structural equation modelling (SmartPLS-SEM vision 4.9.2) showed adequacy of the instrument to represent the constructs intended to measure. In the same vein, SPSS v 25 and SmartPLS-SEM v 4.9.2 was utilized for the main analysis. This statistical tool is suitable for research that aims at examining cause-effect relationship between constructs (Hair et al., 2021).

Results

This section presents the outcome of statistical analyses. The study used SPSS v 25 and SmartPLS-SEM v 4.9.2 for preliminary and main data analyses respectively. The preliminary analysis evaluates missing values, outliers, multicollinearity, non-response bias, and common method bias. Whereas the main analysis tests the interplay between the constructs adopted in this research model. The main analysis covers both measurement and structural models. While the measurement model includes assessment of items and constructs reliability, convergent validity and discriminant validity, structural evaluation assesses path coefficients, coefficient of determination (*R2*), predictive relevance (*Q2*) and mediating effects.

Preliminary analysis

Recall that hand delivery (self-administered) approach to the survey was employed in this study. A total of 520 questionnaires were distributed to the subjects within the study location (i.e., north-west region). However, after much follow-up, 290 representing 56% were retrieved. Out of the total number of retrieved questionnaires, 226 copies representing 43.5% were considered fully and accurately completed. The remainder (64) questionnaires were not properly filled by respondents, hence, were not included in the analyses.

Analysis of missing value revealed no missing value identified. Similarly, outliers were checked and it was revealed all inputted cases were not outside of the scale range as coded in

the label column of SPSS variable view. The data was equally subjected to multivariate outlier analysis using Mahalanobis distance (D^2). Results of the Mahalanobis distance as recommended by Tabachnick and Fidell (2007) suggest the data set was free from multivariate outliers. In line with Podaskoff et al. (2003), precautions were taken against potential common method bias. For instance, the instrument was presented in a way that made it difficult for respondents to predict correlations between the variables, and respondents' anonymity was assured. Not only this was employed to guard against common method bias, Haman's single factor test using principal components factor analysis also indicate satisfactory results as opined by Podaskoff et al. (2003).

Further, a check for multicollinearity among the variables was conducted by assessing the tolerance value and variance inflation factor (VIF). Based on the suggestion of Hair et al. (2017), there was no multicollinearity issue among the variables as both tolerance value and VIF were satisfactorily achieved. Additionally, a t-test analysis was carried out in accordance with Armstrong and Overton (1977) to compare the earliest and latest pattern of responses for each variable, and the results showed that there was no significant difference between early and late respondents. Therefore, non-response bias was not an issue in this study. Having satisfied the criterial to undertake analysis using PLS-SEM, the next section presents results of the main analysis.

Measurement model

Individual indicator loading to their respective constructs was evaluated. As showcased in Table I, EO3, EO6, EO9, PR2, PR5, and PR6 were deleted to enhance the value of AVE for entrepreneurial orientation (EO) and poverty reduction (PR) to satisfactory level. The rationale for deleting these indicators is that they loaded very low on the constructs (Hair et al., 2021). Meanwhile, BN5 and PR7 whose loading could not reach the threshold of 0.7 were retained because deleting these items will not lead to any significant changes in AVE or CR (Hair et al., 2021).

Table I: *Reliability and Convergent Validity*

Construct	Item	Loading	AVE	Cronbach	CR
Entrepreneurial Orientation	EO1	0.825	0.600	0.892	0.904
	EO2	0.784			
	EO4	0.734			
	EO5	0.765			
	EO7	0.821			
	EO8	0.774			
	EO10	0.712			
Business Networking Ties	BN1	0.785	0.554	0.839	0.846
	BN2	0.782			
	BN3	0.780			
	BN4	0.714			
	BN5	0.682			
	BN6	0.718			
Poverty Reduction	PR1	0.760	0.551	0.796	0.806
	PR3	0.818			
	PR4	0.732			
	PR7	0.646			
	PR8	0.745			

Internal consistency (reliability) of each construct was assessed through composite reliability index and Cronbach alpha. Hair et al. (2021) suggest that a composite reliability index and a Cronbach alpha of at least 0.70 imply adequate construct reliability. As indicated in Table I, the least Cronbach alpha is 0.796 while composite reliability is 0.806. Also, examination of

average variance extracted (AVE) revealed robust convergent validity of measures as AVE values exceeded the threshold of 0.5 (Fornell & Larcker, 1981).

In addition to assessment of convergent validity, discriminant validity was investigated via Fornell-Larcker criterion and Heterotrait-Monotrait (HTMT) ratio. Outcome of discriminant validity via Fornell-Larcker criterion reveals that each construct shares more variance with its indicators than with any other latent construct in the model. Also, HTMT ratio analysis indicates that correlations amongst latent constructs in the model were not greater than the ceiling point of 0.85 as suggested by Clark and Watson (1995).

Structural model

Report of outcome of the structural (inner) model takes the following order: βeta-value of the path relationship, standard error (SE), the t-value, and p-value, as well as lower and upper limits at 2.5% and 97.5% confidence intervals bias corrected, and decision taken based on the outcome.

Table II: *Results of Hypotheses for Direct Relationships*

H	Path	Beta	SE	t-value	p-value	LL 2.5%	UL 97.5%	Decision
H_1	EO>PR	0.037	0.064	0.582	0.561	-0.093	0.162	Not supported

Evidence in Table II indicates that though the relationship between entrepreneurship and poverty reduction was positive, it was not found to be statistically significant (β = 0.037; t-value = 0.582; p-value = 0.561; LL = -0.093; UL = 0.162). Therefore, H_1 was not supported.
Results of the analysis also reveal that entrepreneurship in conjunction with business networking ties explained 28% variance in poverty reduction. Therefore, in line with Cohen's (1988) recommendation about coefficient of determination (R^2), this percentage of R^2 is substantial. Apart from assessing the degree of variance in dependent variables as explained by the independent variables, the predictive relevance (Q^2) of the model was checked. Value of the Q^2 obtained was 0.132 which is greater than zero. This means the model has ability to predict the dependent variable - poverty reduction (Hair et al., 2021).

Evaluation of Hypothesis for Mediation Effect

To determine the mediation effect of business networking ties in the relationship between entrepreneurship and poverty reduction, the data was subjected to boostrapping with a sample of 5000 at two-tailed as opined by Hair et al., 2021). Mediation effect of business networking ties was obtained and presented in Table III.

Table III: *Results of Hypothesis for Mediation Effect*

H	Path	Beta	SE	t-value	p-value	LL 2.5%	UL 97.5%	Decision
H_2	EO->BN->PR	0.074	0.034	2.190	0.029	0.013	0.144	Mediated

Note: EO=Entrepreneurial Orientation; BN=Business Networking; PR=Poverty Reduction; LL=Lower Limit; Lower Limit.

H_2 which predicted mediation role of business networking ties in entrepreneurship-poverty reduction relationship. Table III presents outcome of the statistical analysis which showcased that business networking ties mediates the relationship between entrepreneurship and poverty reduction (β = 0.074; t-value = 2.190; p-value = 0.029; LL = 0.013; UL = 0.144). Therefore, H_2 was supported at less than 5% level of significance.

Discussion

This study illustrates that the link between entrepreneurship and poverty reduction presents more complicated relationship than a simple direct relationship. In the face of multidimensional poverty in Nigeria, entrepreneurship act of innovativeness, proactiveness, and risk taking (entrepreneurial orientation) generally plays a cornerstone role in poverty reduction. However, findings of this study indicate that entrepreneurship alone is not a significant predictor of poverty reduction in spite its positive impacts. A possible explanation as to why the effect of entrepreneurship on poverty reduction was not significant may be due to some indicators of entrepreneurship (i.e., EO3, EO6, & EO9) that were deleted to achieve certain conditions in PLS-SEM analysis.

In addition, this finding substantiates the argument put forward earlier that though a number of studies found significant positive relationship between entrepreneurship and poverty reduction without explaining how or revealing the mechanism through which entrepreneurship bring about poverty reduction. Thus, there is more to know than the mere direct relationship reported in previous studies. Consequently, the result was not surprising as it aligns with Baron and Kenny (1986) who suggested that when a mediator variable that truly explains the link between predictor and criterion variables is introduced in a model, a previously significant relationship between the predictor and criterion variables will not be significant.

With reference to the role of business networking ties in the relationship between entrepreneurship and poverty reduction, findings reveal business networking ties serve as a significant mechanism through which entrepreneurship leads to poverty reduction. In other words, the link between entrepreneurship and poverty reduction is majorly explained by business networking ties. Put differently, the role of entrepreneurship in reducing poverty is better understood through the mediating effect of business networking ties. This implies that entrepreneurs in the entertainment industry that build robust and functional networking ties with players in the industry, experienced reduction in poverty level. The result also suggests that the more comedians, musicians, and other entertainers engage in collaboration with their counterparts from different locations, the higher the capacity to generate financial benefits which in turn reduces poverty.

This finding is supported by the tenets of social network theory (SNT) which postulates that possess of robust connection and ties with key players in a business environment is critical for firm's survival (Borgatti & Ofem, 2010; Liu et al., 2017). This suggests that entrepreneurs in the entertainment industry crave for stronger social capital or social ties to facilitate acquisition of resources that enhance the probability of opportunity exploits beyond their immediate environment. For instance, some musicians and comedians that participated in the survey affirmed that due to their level of involvement in entrepreneurial activities, they have built several networking ties across the country to keep abreast with trending skills, information, or knowledge that may boost their capacity to perform incredibly.

From the forgoing, Business networking ties offer entrepreneurs in the entertainment industry the opportunity to be engaged virtually at all times. This has gone a long to bringing them out of poverty or minimizes the gravity of poverty. Imagine an economic hardship like the current situation in Nigeria where majority have been forced to cut costs to focus mainly on how to obtain three-square meal per day, only entertainers with robust and functional networking ties may be marketable to the extent of getting to meet their daily financial needs.

Implications

Basically, this study examined the intervening effect of business networking ties in the link between entrepreneurship and poverty reduction among entrepreneurs in the entertainment industry in north-west Nigeria. Based on findings of this study, the implications to stock of knowledge and practice could be viewed from varied perspectives. For example, the lack of knowledge in extant literature as to how entrepreneurship reduces extreme poverty (Kimmitt

et al., 2019; Wu & Si, 2018) may no longer be a research gap. Findings revealed significant mediating role of business networking ties in the relationship between entrepreneurship and poverty reduction. Therefore, this study has addressed the issue of how entrepreneurship affect poverty reduction. In other words, it has offered explanation as to what is process or mechanism through which entrepreneurship reduces poverty. This is huge addition to the literature on entrepreneurship. Consequently, the findings of this study provide vital insights to entrepreneurs in the entertainment industry and other industries as regard the significance of networking ties in the link between entrepreneurship and poverty reduction. This may go a long way to encourage building of networking ties among entertainers or businessmen or entrepreneurs. Further, the findings may guide policymakers to incorporate the need for networking ties among players in industries while developing policies bothering on entrepreneurial activities and poverty reduction.

Limitations and further research directions

This study was conducted in only one out of the six geo-political regions in Nigeria. Generalizing the outcome to other geo-political regions must be done with caution. Therefore, this study should replicated in other regions to verify the findings. Although affected by activities of bandits in the region, the study utilized cross-sectional survey to collect the data. Robust understanding of interplay between entrepreneurial activities, business networking ties, and poverty reduction require relative long-term. In view of this, future research may adopt a longitudinal survey which means gathering data from same participants twice or more over a specified time frame.

Conclusion

The thrust of this study was to identify the process or mechanism that explains the link between entrepreneurship and poverty reduction. The findings have demonstrated immense support to the theoretical assumptions (social networking theory) that underpinned the study as business networking ties was found to explain how entrepreneurship reduces poverty among musicians, comedians, and others in the entertainment industry. Thus, the study has achieved its objectives by providing answers to the research question raised in the first section despite inherent limitations. Be that as it may, this study has added empirical evidence to the mediating role of business networking ties in the relationship between entrepreneurship and poverty reduction in Nigeria. Even though there exists research on the associations of entrepreneurship and poverty reduction, this study extended the body of knowledge by incorporating business networking ties as an intervening variable.

In conclusion, the more comedians, musicians, and other entertainers engage in collaboration with their counterparts from different locations, the higher the capacity to generate financial benefits which in turn reduces poverty. Consequently, this study provide vital insights to entrepreneurs in the entertainment industry and other industries as regard the significance of networking ties in the link between entrepreneurship and poverty reduction. Thus, this may encourage building of networking ties among entertainers or businessmen or entrepreneurs. Further, the findings may guide policymakers to initiate policies that may boost networking ties among entrepreneurs.

Acknowledgement: This study was fully funded by Tertiary Education Trust Fund (TETFund) under its laudable and impactful grant called, Institutional Based Research (IBR).

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