



How Reliable Are Strong Ties in Enterprise Innovation? An Assessment of the Role of Social Capital in the Innovation Performance of SMEs in Northern Ghana

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Abstract

Innovation among small and medium-sized enterprises (SMEs) is influenced by several factors including those that are internal and those from the external environment, and the entrepreneur's own orientation towards innovation. The concept of strong ties in business refers to individuals and groups that have a direct interest and effect on the business, and the entrepreneur's relationship with these stakeholders form the social capital of the entrepreneur. The objective of this study was to determine the mediating role of strong ties in the relationship between entrepreneurial orientation and innovation in the enterprise. To achieve this, a sample of 354 SMEs were selected from across the northern part of Ghana. Data analysis was done using partial least squares structural equation modelling (PLS-SEM) to test the hypotheses via the Smart PLS software. The findings show that entrepreneurial orientation significantly influences innovation performance among SMEs. Furthermore, customer and supplier collaborations fully mediate the relationship between entrepreneurial orientation and innovation performance, while employees and family/friends partially mediate this relationship. Strong ties are cost-effective sources of new product ideas, and SMEs can always seize the opportunity to solicit ideas from these collaborators to improve upon innovation performance.

Introduction

Since small and medium-sized enterprises (SMEs) are widely recognised as entities that play a critical role in global economic growth, it is essential to continue identifying the factors that contribute to their survival and growth. This study evaluates the influence of external stakeholders on SMEs' innovation performance in northern Ghana. External stakeholders who are close to an enterprise are an essential component that hasn't received much attention in Ghanaian innovation literature.

Many young people in Ghana now consider venturing into SMEs due to the steadily declining employment rates in the public sector. With governments implementing policies to support small business operations, starting a firm has become a more national imperative over time. These businesses are propelled by innovation that changes consumer appeal and industry standards. Over the past twenty years, there has been a significant surge in businesses' aspirations to expand through the development of novel products and business procedures. To thrive in a fiercely competitive market, SMEs must not only adopt an entrepreneurial mindset (Al Asheq & Hossain, 2019), but also



possess the capacity to transform these concepts into marketable innovations that foster company expansion (Prasanna et al., 2019).

There is a wide acceptance that social networks and membership in groups and organisations facilitate access to knowledge and related resources. Hence, there is a need to evaluate how the acquisition of this knowledge impacts business processes, especially innovation. Regarding the connection between innovation performance and entrepreneurial orientation, Shaher & Ali (2020) the study examined the mediating role of leavening orientation, and the mediating role of market orientation (Aloulou, 2024) explored the mediating role of absorptive capacity and innovation capability, while Iqbal et al. (2021) studying the mediating role of transformational leadership. On the flip side, the mediating role of social capital has been tested in the relationship between socioeconomic status and quality of life (Nutakor et al., 2023), corporate social environment and carbon dioxide emissions reduction (Jamil & Rasheed, 2023), intellectual capital stocks and flows (Dahiyat et al., 2023), among others. However, information on this subject in Ghana is scant, particularly on the mediating role of social capital in the relationship between entrepreneurial orientation and innovation performance among SMEs. By examining this phenomenon among SMEs in Ghana, the current study aims to close this significant knowledge gap. The study's findings will have an impact on how SME owners and managers may benefit from the ideas of people and groups they are networked to, whether formally or through business interactions.

Related literature and conceptualisation

Social capital

Adler & Kwon (2002) are of the view that market relationships involve exchanges where individuals trade economic goods for money, while interpersonal relationships involve the exchange of favours by individuals to achieve their personal goals. This perspective captures the core of social capital, which is about mutually beneficial relationships among individuals or groups of people.

The concept of social capital in organisations encompasses social relations that exist among individuals, often described as social networks. (Galunic et al., 2012) posit that goodwill talks regarding the connections that are maintained among persons who are connected, typified by such characteristics as density, power, and number. Meanwhile, (Burt, 2000) see goodwill like “friends, colleagues, and more general contacts through whom you receive opportunities to use your financial and human capital.” For Nahapiet & Ghoshal (1998), one important aspect of this concept of social capital is the focus on the composition of the relationship that exists among people and organisations.

Moreover, even though relationships and intellectual property are autonomous, they have a causal relationship with each other. Precisely, social networks are said to have significant causal relations with social capital. Inkpen & Tsang (2005) opine relationships come from intellectual property. According to Burt (2002), network structures give birth to human capital. The two are therefore inextricably linked if networks of friends are the source of social wealth. Specifically, social capital comes in the form of resources gained from social networks. In their opinion, Adler and Kwon (2002) state that “social capital is the goodwill available to individuals and groups. Its source lies in the structure and content of the actor's social relations. Its effects flow from the information, influence, and solidarity it makes available to the actor.”

Numerous studies have established that a significant correlation exists between social networks and the innovation performance of firms (Rastrollo-Horrillo & Rivero Diaz, 2019). Universities, research institutions, customers, suppliers, and other relations have a substantial impact on the generation of new knowledge and innovation performance (Bullinger et al., 2004). Becker & Dietz (2004) found that associating with different partners R&D positively influences innovation performance, while Nieto &



Santamaría (2007) argued that the main influences on innovation performance emanate from collaborative networks involving diverse groups of partners. Social wealth has been portrayed by sure researchers as a system, arguing that R&D and social assets support one another in affecting the creation of innovations. Brioschi et al. (2002) found that social interactions will play a significant role in the coordination of ideas for SMEs when there exists trust and cooperation among the persons involved in the network. These ideas eventually turn into creative concepts that are novel to the market. Notwithstanding these findings, some scholars have found no significant effect of social capital on innovation output (Cappiello et al., 2020).

Entrepreneurial orientation and innovation performance

Entrepreneurial orientation (EO) and innovation are seen as two distinct concepts by some scholars, arguing that EO does not necessarily translate into innovation output (Kollmann et al., 2021). On the contrary, Ince et al. (2023) found that EO has a positive impact on innovation performance. Moreover, creativity can support new ideas and increase the tendency to develop new processes and products (Ferreira et al., 2020). Therefore, considering the significant role that knowledge plays in the generation of new ideas, it needs to be managed effectively. Accordingly, businesses with EO are more likely to focus on efforts towards knowledge acquisition and management. Based on the above arguments, it can be reasonably concluded that there exists a strong relationship between entrepreneurial orientation and management; hence, we hypothesise that:

H1: Entrepreneurial orientation has a positive and significant correlation with innovation performance among SMEs in the region.

The influence of customers on innovation performance

Previous research has established that one of the key factors impacting the development of new products is customer collaboration. Xie et al. (2022) claim that customers' involvement with a firm has little impact on process innovation because of their inadequate comprehension of the internal processes of the company. However, throughout the whole product development process, knowledge about consumers contributes to knowledge gain (Carbonell et al., 2009). According to (Fredberg & Piller (2011), customer expertise can be a beneficial source of information for new product improvements. These results highlight the importance of customer collaboration as a source of knowledge about new products; hence, we hypothesise that:

H2: Customer influence mediates the relationship between entrepreneurial orientation and innovation performance among SMEs.

Suppliers and innovation performance

Li et al. (2021) are of the view that innovation-oriented organisations seek to integrate with suppliers for new product knowledge. This form of collaboration leads to improved product and process innovation (Zhang et al., 2020). Communication channels are usually developed between suppliers and producers to enhance the flow of information that will allow suppliers to influence the innovation process (Li et al., 2022). The resource dependence theory states that interdependencies among firms bring about uncertainty to firms (Li et al., 2022). Collaboration then reduces the uncertainty and increases the predictability of supplier behaviour. Frequent meetings with suppliers and their contribution to the innovation process help the firm to generate new knowledge that enhances innovation performance (Li et al., 2022). Following these arguments, it is hypothesised that:

H3: Supplier Collaboration mediates the relationship between entrepreneurial orientation and innovation performance among SMEs in the region.



Employees and Innovation Performance

Employee-driven innovation derived from organisational knowledge in the firm’s processes; this knowledge can be gained from employees, no matter their level of education or rank in the organisation (Opland et al., 2022). Some scholars have concurred that employees’ initiatives have been robust in influencing the innovation performance of different businesses. (Echebiri et al., 2020) posit that employees serve as product innovators, hence supporting product and process innovations. This is mainly due to their knowledge of customer needs and the technical know-how developed over the years. Menzel et al. (2007) give examples of employees’ contribution to the innovation process, including engineers’ contribution to the creation of new products and processes. Thus, employee involvement in product or process innovation is an essential source of experience-based knowledge in the innovation process.

Therefore, we hypothesise that:

H4: Employee involvement mediates the relationship between entrepreneurial orientation and innovation performance among SMEs in the region.

Family/friends and innovation performance

Social capital sourced from family/friends is generally referred to as relational capital. The type of social capital brings innovation (Hanifah et al., 2019) and entrepreneurial performance (Maleki et al., 2023). Rydehell et al. (2019) posit that a firm’s contacts are a source of new knowledge that stimulates new processes leading to new products and process ideas. Nunes and Abreu (2020) argue that innovation is not the preserve of brilliant minds, but a buildup of knowledge gained from different people, including family and friends. Furthermore, social networks of informal relations that know each other will bring knowledge from their current and previous employment to the innovation process of a family business. Following the above findings, it is hypothesised that:

H5: Relational capital mediates the relationship between entrepreneurial orientation and innovation performance.

Conceptual framework

Building on the previous findings and hypotheses outlined above, the following conceptual framework is designed for this study.

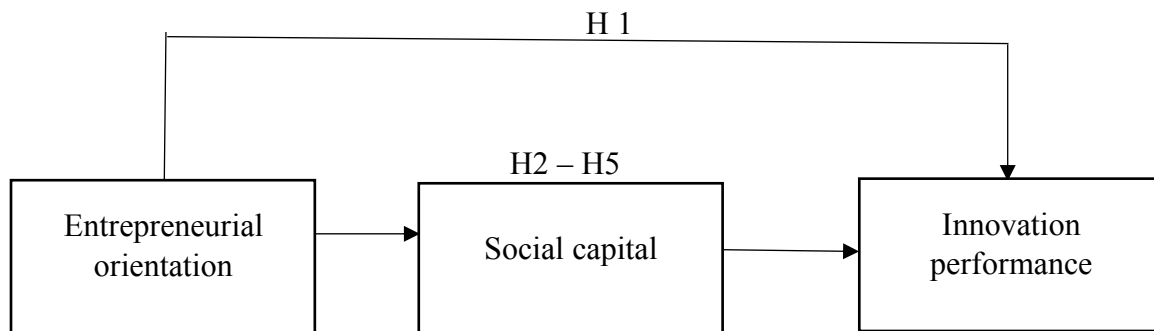


Figure 1: Conceptual framework



Method

Research design

The data in this study are analysed using a multivariate statistical method called structural equation modelling (SEM) (Diamantopoulos & Hart, 1993). The dependent variable in one regression study is simultaneously the independent variable in another, making it suitable for data involving multiple regressions (Hair et al., 2013). The measurement model, which reduces observable variables to a smaller number of latent factors, and the structural equation model, which establishes causal links among these latent factors, are the two main parts of SEM. There are numerous Windows-based software applications for analysing structural equation models. This study employs the SmartPLS software to test for the direct and indirect relationships among these variables, as well as the mediating effects. The SmartPLS system is preferred in this study due to its simplicity and ability to handle complex relationships seamlessly.

Study site

This study was conducted in three regions in the northern part of Ghana. These include the Upper East, North East and Northern regions. There are several commercial towns in these regions, and SMEs are the main kind of businesses in these parts of the country. These SMEs employ several young people and command a chunk of commercial activities in northern Ghana. Out of the five regions of the north, these three regions are close to each other and share a lot of characteristics in common. It therefore makes it both easy and convenient to access businesses in this area and get information from their owners/managers.

Study population and sampling

The study population is made up of SMEs in the Northern part of Ghana. Although precise numbers on the overall number of SMEs in Northern Ghana are not easily accessible, estimates suggest that in 2024, the Finance, Trade & Industry ministries' SME GO programme provided training to about 1,000 SME owners in the Northern Region. In general, it is estimated that there are over 2.1 million MSME businesses in Ghana, with micro-enterprises accounting for a sizeable share of these businesses. The sampling techniques employed were a combination of simple random and convenience sampling. The characteristics of the SMEs under consideration are essentially the same, hence the authors found it prudent to select SMEs based on accessibility and random choices. A total of 276 businesses were randomly sampled across the northern part of Ghana. From these, a total of 354 respondents were contacted to complete the questionnaire. In firms with fewer than ten employees, two or three individuals were selected, including the manager/owner of the business. For those who had more than 10 employees, five people were selected.

Data collection

Data was collected using a closed-ended questionnaire. The questionnaire was in the form of a Likert scale, ranging from 1 to 5. 1 = Strongly disagree; 2 = Disagree; 3 = Neutral; 4 = Agree; 5 = Strongly agree. Respondents were asked to select the number corresponding to his/her level of agreement with each statement made.

Data analysis

Data analysis is based on the measurement model and the structural model estimates. The measurement model seeks to test for the validity and reliability of the data, while the structural model tests the relationship among variables. Reliability and validity analysis are measured using the outer loadings of the items for each unobserved variable; these loadings are expected to be at least 0.70. Further tests on the data are done using Cronbach's Alpha (CA), Composite Reliability (CR) and the Average Variance Extracted (AVE). CA and CR are expected to have figures of 0.70 and above, while



a figure of 0.50 and above is acceptable for the AVE. These figures demonstrate that the data is both reliable and valid for further analysis.

Results

Measurement model

Convergent and discriminant validity are two aspects of measurement model reliability and construct validity. When the results of two instruments evaluating the same idea have a high degree of correlation, convergent validity is guaranteed (Sekaran & Bougie, 2019). Hair et al. (2017) state that to evaluate the convergent validity of a reflective concept, one needs to look at the Average Variance Extracted (AVE) and the outer loadings of the factors. According to Hair et al. (2017), outer loadings, also known as indicator reliability, ought to be 0.708 or 0.70.

After examining the outer loadings of the items, eight of them were removed due to poor loading (less than 0.70). The items removed include EO5, CUS5, SUP1, SUP5, EMP2, FF2, FF3, IP1 and IP5. Lastly, the outer load range falls between 0.725 and 0.866, which are above 0.70 (see Table 1). Average Variance Extracted (AVE) is another common measure of convergent validity whose value should be above 0.50. The AVE for each of the variables (in Table 2) is more than 0.50, which confirms convergent validity.

Furthermore, Cronbach's Alpha (CA) and composite reliability are used as internal reliability measures for the variables, where the values should exceed 0.70 (Hair et al., 2017). As shown in Table 2, CA for each construct is more than 0.70, an indication that the data for the study are reliable.

Table 1: Outer Loadings of Variables

	CUS	EMP	EO	FF	IP	SUP
Customers (CUS)						
CUS1	0.822					
CUS2	0.866					
CUS3	0.795					
CUS4	0.738					
Empoyees (EMP)						
EMP1		0.801				
EMP3		0.835				
EMP4		0.841				
Entrepreneurial Orientation (EO)						
EO1			0.739			
EO2			0.796			
EO3			0.751			
EO4			0.817			
EO6			0.725			
Family/Friends						
FF1				0.830		
FF4				0.792		
FF5				0.818		



Innovation Performance (IP)						
IP2						0.789
IP3						0.856
IP4						0.823
IP5						0.829
Suppliers (SUP)						
SUP2						0.87
SUP3						0.818
SUP4						0.858

Table 2: Reliability Test

	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted (AVE)
CUS	0.820	0.831	0.881	0.650
EMP	0.769	0.777	0.866	0.682
EO	0.824	0.826	0.877	0.588
FF	0.745	0.751	0.854	0.662
IP	0.843	0.846	0.895	0.680
SUP	0.807	0.817	0.886	0.721

Common method bias

The bias seen when estimating the correlation between two variables when there is standard method variance, or CMV, is referred to as common method bias (CMB) (Podsakoff et al., 2012). Variance attributable to the measurement method rather than to the construct of interest is what CMV stands for. Because CMV weakens or distorts the observed associations (i.e., the error may be too great for the relationships to be genuine), its existence can compromise a study's findings and prospective knowledge contributions if left unchecked. Therefore, the Harman one-factor test (via SPSS) was used to check for this phenomenon to be sure that CMV is not a reason for concern in this study. The principal axis extraction method is used in this test to load all of the items (observed variables) onto a single common factor without any rotation (Podsakoff et al., 2012). A single factor's total variance of less than 50% indicates that CMB does not affect the data. The data in this study is free of standard method bias because the single factor extraction's total variance was 32.93%, which is below the 50% threshold.

Discriminant validity

Discriminant validity quantifies how different an implicit concept is from other constructs. When two variables are unconnected, and the test of validity scores are likewise unrelated, discriminant validity is guaranteed (Sekaran & Bougie, 2019). A construct's variance should be greater than that of its indicators compared to the other constructs in a given model, according to Fornell and Larcker's criterion. Therefore, the proper method to determine a construct's discriminant validity is to show that its AVE is greater than the variance it shares with the other constructs in the model. More precisely, it must be demonstrated that every correlation between the constructs is less than the square root of its



AVE. Each construct's square root of the AVE is bigger than the corresponding row and column values, as Table 3 demonstrates. This shows that discriminant validity has been proven.

Table 3: Results of Discriminant Validity Test

	CUS	EMP	EO	FF	IP	SUP
CUS	0.806					
EMP	0.619	0.826				
EO	0.572	0.527	0.767			
FF	0.557	0.641	0.540	0.813		
IP	0.633	0.599	0.634	0.604	0.824	
SUP	0.659	0.614	0.527	0.601	0.583	0.849

Structural model

Following the testing model's favourable outcomes in terms of validity and reliability of the data, the structural model is then analysed. At this stage an analysis of the various effects of the independent variables on the dependent variable is done. First, the direct effects are analysed before the mediating effects. The findings in this analysis are shown below.

Direct effects

The main dependent variable in this study is the innovation performance of SMEs, measured by the rate at which a particular SME turns ideas into new products and processes. The results, as captured in Table 4 and Figure 2, show that all variables have a significant correlation with innovation performance among these SMEs. The main independent variable (EO) has a correlation coefficient of 0.288, a t-value of 4.176 and a p-value of less than 0.01, demonstrating a significant impact of an entrepreneurial mindset on the performance of innovation between these SMEs. Customer collaboration, supplier collaboration, employee inputs and family/friends have all proven to have a positive and significant effect on the innovation performance of the SMEs surveyed.

Table 4: Direct Effect Analysis

Path Relations	Beta	Standard Error	T Statistics	P Values
CUS -> IP	0.931	0.079	11.652	0.000
EMP -> IP	0.137	0.065	2.109	0.035
EO -> IP	0.286	0.069	4.176	0.000
FF -> IP	0.181	0.064	2.843	0.005
SUP -> IP	0.885	0.075	11.714	0.000

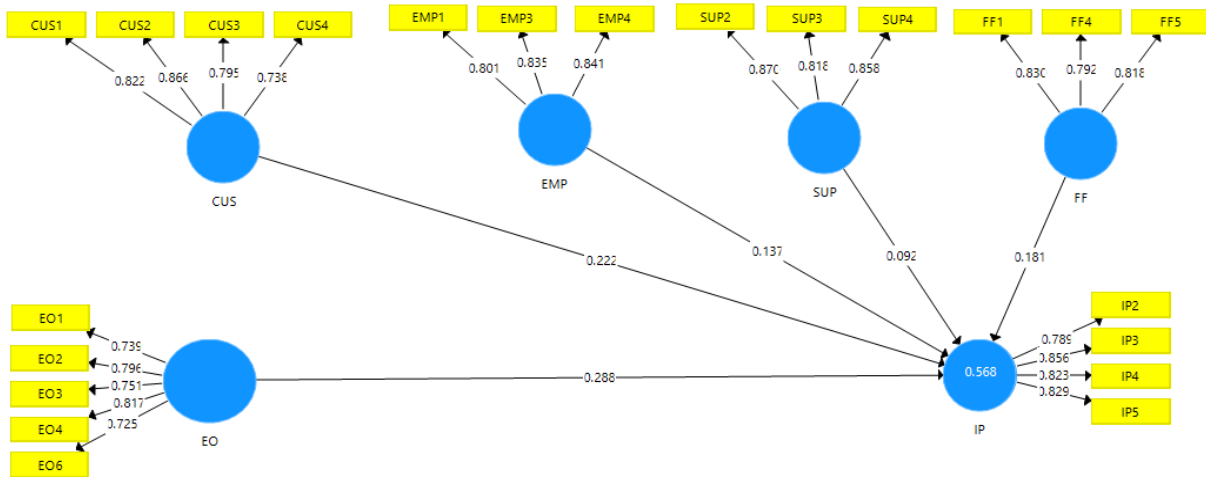


Figure 2: Direct path analysis

The mediating role of social capital

The study first considered the indirect effects that run from EO through social capital to influence innovation performance. From the outset, the researchers regarded as social influence as a potential mediator in the relationship between entrepreneurial orientation (EO) and innovation performance (IP) of SMEs in the Upper East Region. This includes the influence of customers, family/friends, employees, and suppliers of inputs who have positive attitudes towards the owners and managers of SMEs. An analysis of the correlation between EO and IP in the presence of the mediators in the model (see Table 5) shows that under this condition, EO still has a significant effect on IP. EO in this analysis comes out with a coefficient of 0.285, t-value = 3.94, and a p-value less than 0.01, indicating a strong positive influence of EO on IP. All other variables are also still significant influencers of IP, as was established earlier. The results of the indirect effects (in Table 6 and Figure 3) show that mediation analysis using these paths is possible. These results give the authors an indication of a possibly significant mediating role that social capital can play in this relationship.

Table 5: Direct Effects in the Presence of the Mediators

Path Relations	Beta	Standard Error	T Statistics	P Values
CUS -> IP	0.931	0.079	11.652	0.000
EMP -> IP	0.138	0.069	1.986	0.048
EO -> CUS	0.875	0.075	11.535	0.000
EO -> EMP	0.532	0.046	11.59	0.000
EO -> FF	0.542	0.043	12.583	0.000
EO -> IP	0.286	0.073	3.941	0.000
EO -> SUP	0.928	0.082	11.214	0.000
FF -> IP	0.181	0.065	2.788	0.006
SUP -> IP	0.885	0.075	11.714	0.000



Table 6. Indirect Effects

Path Relations	Beta	Standard Error	T Statistics	P Values
EO -> CUS -> IP	0.526	0.131	3.994	0.000
EO -> EMP -> IP	0.073	0.038	1.909	0.027
EO -> FF -> IP	0.098	0.036	2.732	0.007
EO -> SUP -> IP	0.749	0.119	6.246	0.000

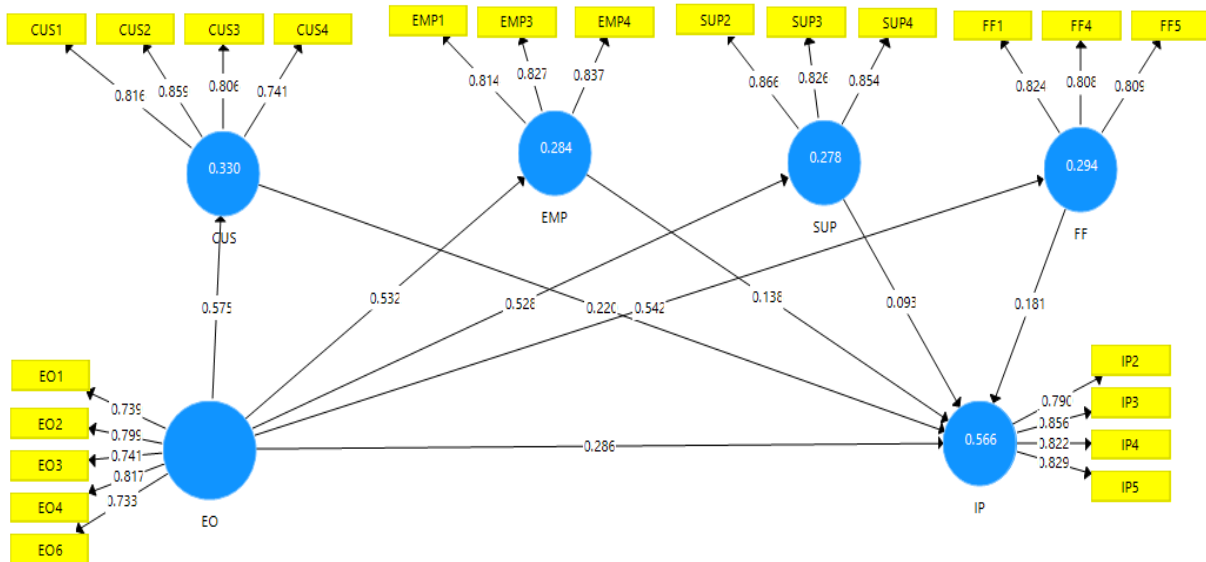


Figure 3: Indirect path analysis

Mediation analysis

The results of the mediating role of social influence are captured in Tables 7 to 10. The results show that the mediating effects of both customer and supplier collaboration are full. The variance accounted for (VAF) range for customer collaboration (see Table 7) is 0.804, which is above the threshold of 0.80 at which there is complete mediation. Additionally, the variance accounted for (VAF) for supplier collaboration (see Table 9) is 0.807. These mediating effects show that SMEs in the region are benefiting from the contribution of customers and suppliers to augment the entrepreneurial skills of their owner/managers.

Furthermore, analyses of the mediating effects of employees and family/friends show that these effects are partial. Their VAFs for employees (see Table 8) and family/friends (in Table 10) are 0.203 and 0.255, respectively. These VAFs are within the range of 0.20 and 0.79, at which the mediation is said to be partial. These results are an indication that these SMEs are not fully exploiting the benefits derived the expertise of employees and family/friends.



Table 7. Mediation analysis: Customer collaboration as a mediator

Independent variable	Direct effect	Indirect effect	Total effect	VAF range	Mediation
Entrepreneurial orientation	0.286	0.814	1.012	0.804	Full

Dependent variable: Innovation performance

Table 8. Mediation analysis: Employee collaboration as a mediator

Independent variable	Direct effect	Indirect effect	Total effect	VAF range	Mediation
Entrepreneurial orientation	0.286	0.073	0.359	0.203	Partial

Dependent variable: Innovation performance

Table 9. Mediation analysis: Supplier collaboration as a mediator

Independent variable	Direct effect	Indirect effect	Total effect	VAF range	Mediation
Entrepreneurial orientation	0.286	0.821	1.017	0.807	Full

Dependent variable: Innovation performance

Table 10. Mediation analysis: Family/friends as a mediator

Independent variable	Direct effect	Indirect effect	Total effect	VAF range	Mediation
Entrepreneurial orientation	0.286	0.098	0.384	0.255	Partial

Dependent variable: Innovation performance

Discussion

The findings of this study are in line with those of some scholars who find that social capital has a positive and significant effect on innovation performance (Setini et al., 2021). In line with the present findings, Sanchez-Famoso et al. (2019) it is argued that family and non-family social capital have a joint positive impact on businesses that are family-owned. Indeed, the various findings on this subject matter buttress the fact that SMEs in both rural and urban areas can benefit from knowledge with connected stakeholders. Interestingly, the results from this study confirm the strength of customer and supplier collaboration in the innovation performance of SMEs but do show that the ability of employees and family/friends to complement the entrepreneurial orientation of the business owner and/or manager is relatively weak.

Moreover, bringing stakeholders together around similar goals, beliefs, and language, facilitates the rate at which cognitive social capital fosters innovation (Nahapiet & Ghoshal, 1998). In innovation projects, a shared vision reduces miscommunication and improves coordination (Reagans & McEvily, 2003). Businesses with a strong organisational culture that encourages experimentation and creativity see an increase in innovation outputs (Subramaniam & Youndt, 2005). In global corporations, where cultural differences could ordinarily impede collaborative innovation, cognitive alignment is especially crucial. To include outside ideas in company innovation processes, open innovation models



mainly rely on social capital (Chesbrough, 2003). Businesses that use academic research, startup partnerships, and customer feedback perform better in terms of innovation (Laursen & Salter, 2006). Some scholars are of the view that excessive dependence on closed networks might result in groupthink and decreased creativity, even if social capital often fosters innovation (Gargiulo & Benassi, 2000). Innovation may stall as a result of over-embeddedness in close-knit groups that restrict exposure to new concepts (Uzzi, 1997). Furthermore, companies need to control power disparities in networks since influential players may take advantage of weaker partners, which would hinder cooperative innovation (Gulati & Sytch, 2007). However, due to their limited internal resources, small and medium-sized businesses (SMEs) frequently rely more on social capital for innovation (Street & Cameron, 2007). While large enterprises use formal R&D collaborations, SME innovation is often driven by owner-manager networks (Lee et al., 2010). SMEs, however, have difficulty gaining access to high-value networks, which emphasises the necessity of government-backed innovation initiatives (Huggins & Johnston, 2010). Multifaceted criteria, such as network centrality, alliance diversity, and trust levels, are necessary to quantify the impact of social capital on creativity (Landry et al., 2002). Research frequently uses R&D spending, new product launches, and patent citations as measures of innovation (Ahuja, 2000). A deeper understanding of how relational structures affect innovation outcomes can be gained using advanced analytics, such as social network analysis (Zaheer & Bell, 2005).

Conclusions

There have been several studies on the influence of social capital on firm innovation performance. The findings of these studies have primarily been mixed. This study sought to contribute to the literature by emphasising the mediating role of social capital in the relationship between entrepreneurial orientation and innovation performance of SMEs. Analysis of data gathered via a cross-sectional survey resulted in the following findings:

First, the study established that entrepreneurial orientation has a significant positive correlation with innovation performance among these SMEs surveyed. Second, customer collaboration, employee ideas and the contributions of family/friends all positively impact the innovation performance of SMEs in the region.

Furthermore, an analysis of the mediating roles of these social groups showed that customer and supplier collaborations fully mediate the relationship between entrepreneurial orientation and innovation performance. In contrast, the relationship is partially mediated by that of employees and family/friends. When the business owner or manager is trying to turn ideas into new products and processes, customer and supplier ideas help to strengthen the propensity of this activity to be successful. Meanwhile, the contribution of employees and family/friends is not significant in enhancing the relationship between entrepreneurial orientation and innovation performance among these SMEs.

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