Critique does not equate to rebellion: Positive deviance and entrepreneurial networking among small and medium enterprises in Uganda

Samuel Mayanja¹, Joseph M. Ntayi², J. C. Munene³, Balunywa Wasswa⁴ and Moses M. Kibirango⁵

¹School of Working Adults, Cavendish University, Uganda.
²Business School, Faculty of Economics, Energy and Management Science, Makerere University, Kampala, Uganda.
³Business School, Faculty of Graduate Studies and Research, Makerere University, Kampala, Uganda.
⁴Faculty of Graduate Studies and Research, Business School, Makerere University Kampala, Uganda.
⁵Faculty of Business and Management, University of Eastern Africa, Baraton, Eldoret Kenya.

Received 21 October, 2018; Accepted 26 November, 2018

This paper examines the relationship between positive deviance and entrepreneurial networking among small and medium enterprises (SMEs). Using a mixed method approach combined self-administered questionnaires and interview guide covering 228 SMEs in Uganda, the cross-sectional nature of this study revealed key nuances about SMEs. The research findings confirmed a significant positive relationship between positive deviance and entrepreneurial networking among SMEs in Uganda. The findings also revealed that: SME owner/ managers should create enabling environment for people with divergent views to interact with each other to innovate new practices, such as accessing resources from the networks; managers should initiate new policies for error management to allow employees room to learn from mistakes; managers should acquire new skills of leadership skills to manage and utilize the knowledge and skills of positive deviants. This research therefore contributes to existing scholarship by providing nuances in the study of positive deviance and entrepreneurial networking among SMEs in Uganda through employing a complexity approach that transcends previous academic focus on social network theory.

Key words: positive deviance, entrepreneurial networking, small and medium enterprises (SMEs), complexity.

INTRODUCTION

Successful entrepreneurs recognise the importance of entrepreneurial networking in the process of starting and sustaining businesses (Engel et al., 2017; Koning and Stanford, 2015). Although entrepreneurial networking provides useful information, social support and tangible resources to support achieve goals like business growth and competitiveness, it has been criticised for focusing mainly on the static aspects of networks, content, relations, their governance and structures (Pollack et al., 2015; Galkina, 2013). This focus limits the understanding...
of entrepreneurial networking because they are seen as an objectively given reality that comes into being and changes without the participation of entrepreneurs (Lux et al., 2016; Sarasvathy and Venkataraman, 2011). Positive deviance is intentional behaviours that significantly depart from the norms of the referent group (organization) in honourable ways that lead to positive outcomes (Mertens et al., 2016). Previous studies focused on destructive deviant behaviours in organisations (Tziner et al., 2006), while others studying individuals who have solved a problem and spreads their unique solutions their existing solutions to bring about sustainable behavioural and social change in health (Pascale et al., 2010: 206). Despite growing interest, little remains known about the factors that stimulate positive deviance (PD); in particular, how management can enable its emergence. Social networks are an important way of working with complexity. Social networks enable the rapid transmission of information and practices provided there is trust within the network. One of the principles in social network science is that when people with divergent views (PD) are better connected, they are more individually and collectively productive, cohesive, and resilient. This study looks at positive deviance relationship with a social networking lens. It was hypothesize that positive deviance relates to entrepreneurial networking. The Central Broadcasting Corporation (CBS) story demonstrates how positive deviant employees were able to access resources from a social network.

The CBS in Uganda is a success story in which the networking strategies expounded in this paper were applied by entrepreneurs to create a highly successful enterprise. Using the Corporate Social Responsibility budget, CBS radio established and supported listenership groups to promote activities that generated income. However, when the radio station was switched off by the government in 2009 over allegations of inciting violence, its closure affected CBS’ cash flow since it could no longer air advertisements. The CBS management called back six flexible employees with uncommon practices to develop strategies of mobilizing resources from the radio networks to keep the groups active. The employees started contacting some of the organisations that used to advertise with CBS radio. CBS management and employees persuaded Stromme Foundation to start providing financial support to organised groups to learn financial literacy, income generating projects, primary health care and technical education for children of group members. CBS radio and the Stromme Foundation joined forces and began imparting income generating skills to group members, supporting adolescents to acquire technical skills and supporting group initiatives to mobilise savings. The groups were linked to markets through online marketing. The resources mobilized from the Stromme Foundation stimulated some individuals among the CBS groups and began making candles and soap, writing books, practicing agriculture and animal husbandry, and many other potentially profitable activities different from their daily routine. The groups were connected to potential markets through linkage marketing that gave birth to an association called Empower Women through Savings and Loan Associations-(POWESA). Stromme Foundation after realising that the model was working, connected CBS to other development partners like FK-Norway, MYRAND-India to support CBS groups with resources to start a SACCO. By 2016, POWESA members had share capital of $1,033,333 and savings of $3,055,556. Despite being closed by the government for two and a half years, CBS was able to provide financial and non-financial resources like social support to community initiatives to grow their businesses. CBS was voted the best radio station, winning awards from 2010-2016, for its programmes that promoted development. CBS radio used entrepreneurial networking to mobilise financial and non-financial resources to support its listener groups and greatly improve their sense of purpose and well-being.

LITERATURE REVIEW

Complexity systems leadership theory (CSLT)

CSLT explains the relationship between positive deviance and entrepreneurial networking in the Complex environment (Lindhult and Hazy, 2016; Goldstein et al., 2010; Hazy, 2012; McMillan, 2008). Hazy (2012) posits that higher levels of innovation could only be achieved through employees that deviate from the norms. Goldstein et al. (2010) argue that when employees with divergent views interact with others they create a symbiotic behaviour among themselves. These further contend that unfolding-series of events alertness tend to stimulate cohesiveness, ties, interactions and networking style among SME owners/managers. Positive deviant business owners/managers with unusual behaviour are likely to identify and exploit opportunities by joining different social networks to access resources for business competitiveness (Haynie et al., 2009; Shane, 2003). CSLT as an individual theory can predict mixed multiple possible outcomes with divergent views.

Positive deviance

Positive deviance is intentional behaviours that significantly depart from the norms of the referent group (organization) in honourable ways that lead to positive outcomes (Mertens et al., 2016). Positive deviants normally perceive the world differently, break the norms and mobilize resources to pursue their new ideas that make the organisation compete unlike the conservative organisations. There is tolerance towards individuals who tend to do something different or unplanned, even when it
Entrepreneurial networking

Entrepreneurial networking is understood as the active process of establishing and maintaining relationships which underlines the dynamic side of their formation undertaken by the focal actor (Johannisson, 2017; Galkina, 2013). Entrepreneurial networking is a highly context specific phenomenon where the setting imposes certain socio-cultural patterns of establishing entrepreneurial relations (Burt et al., 2013; Borgatti Mehra and Labianca, 2009). In entrepreneurial networking, relationships provide emotional support for entrepreneurial risk taking and this is fruitful for some situations (Cooper, 2017). The relationships may be derived from membership of trade associations, business networks or indeed friendships with business people, which help the entrepreneur in providing the access to information (Lockett et al., 2017). The argument is that entrepreneurial networking connections and structure facilitate the flow of information and create the mutual trust and cooperation (Johannisson, 2017).

Positive deviance and entrepreneurial networking

Positive-deviance are antecedents of entrepreneurial networking since positive deviant employees come up with new ideas and mobilise resources through networks (Pascale et al., 2011; Goldstein et al., 2010). They assert that developing a high degree of resonance interaction or symbiosis and not competition requires that individuals with different backgrounds and with different sets of experiences connect with others in a very meaningful way to access required resources (Hazy and Silberstang, 2009). In most cases, the presence of PD among organisations’ employees is fostered and demonstrated when individuals are able to voice their opposing viewpoints in a meaningful manner (Johannisson, 2017; Goldstein et al., 2010: 39). This is sometimes lacking in some SMEs with individuals who happen to possess opposing viewpoints (Kibirango et al., 2017; Goldstein et al., 2010).

Positive deviance focuses on practice rather than knowledge (Hulsheger et al., 2009). Although most problems have complex, interlinked underlying causes, the presence of positive deviants demonstrates that it is possible to find successful solutions since positive deviants are able to access resources from networks to implement their new ideas that may have radical departures from what is expected to be normal (Pascale et al., 2010). Past studies indicate that people, who have a high level of networking ability, have also some extra positive abilities such as being good at problem solving, deal making, conflict managing and negotiating (Frieder and Basik, 2017). Additionally, Horiuchi (2017) asserts that networking ability is also related to the capacity of individuals to understand, analyse, and evaluate the actors in political environment. Positive deviants in a business are likely to influence the kind of network to participate in to access the tangible and intangible resources (Yildiz et al., 2015; Vadera et al., 2013).

“We cannot (yet) clone people but we can adopt their successful behaviours/strategies”

This means that positive deviance focuses on practice rather than knowledge (Hulsheger et al., 2009). Although most problems have complex, interlinked underlying causes, the presence of positive deviants demonstrates that it is possible to find individuals in an organization who innovate new ideas to challenge a status quo, look for resources through social networking. Van Dick and Scheffel (2015) assert that positive deviants are a source of innovation, in that they can resolve, by their own means, a problem that their community is yet to solve. They, however, agreed that the challenge is making an
anomaly a collective resource. Employees must therefore, place attention on individual success more so than global dysfunction. Organizations that took up such recommendation shifted the responsibilities: the identification and diffusion of new ideas occurred in the field, breaking away from the traditional top-down model and access resources from social networks (Bowman, 2013). Employees with divergent views are also more inclined to explore experiment and innovate, which leads to better results. This can happen when the SME has an error management culture that allows trial and error without reprimanding the employees (Frese and Keith, 2015).

\textbf{H1a: Positive deviants are positively and significantly associated with entrepreneurial networking.}

\textbf{Novelty experiments and entrepreneurial networking}

Employees with divergent views prefer to make experiments by testing new ways of doing things to solve the prevailing business problems (Muafi, 2015). The abilities available in the leadership of social systems help employees to amplify novel experiments of positive deviants, and whether such are intended to solve existing problems and/or opportunity-exploitation potential, which were previously unnoticed (Seidman and McCauley, 2008). Through influential interactions, which are happening all the time in every corner of the organization, novelty emerges and is enacted in unique and surprising ways. This means that the true catalysts of innovation are the webs of relationships in the nexus of interactions that connect members to each other and to others in the environment to address the current challenges in organizations by also getting tangible and intangible resources from the social networks (Hazy and Ashley, 2011). The employee differences create novelty since the interaction of two identical things cannot generate something new. Pushing this analogy further, the catalyst for innovation lies in deviations from what is expected, that is, experiments in novelty reflecting departures from the currently accepted and conventional ways of functioning (Goldstein et al., 2010). These experiments are constantly going on in organizations, although such deviations are typically unnoticed or marginalized. Whenever new ideas are amplified, and disseminated by business owner/manager, new ways of solving problems emerge in novel patterns, practices, and strategies that can improve and transform the business emerge (Lindhult and Hazy, 2016). At workplace, in which experiments in novelty lead to innovative practices, processes, and routines, is likely to enable an organization to become adaptable to the unprecedented levels of change characterizing today’s business environments. The social networks create a platform where individuals with different objectives meet to access social support for novelty experiments that contribute organization competitiveness (Frese and Keith, 2015).

\textbf{H1b: Novelty experiments are significantly positively associated with entrepreneurial networking.}

\textbf{METHODOLOGY}

The research methodology employed involved quantitative and qualitative approaches in the context of critical realism mixing since a qualitative approach can address the issues that arise from using a quantitative method. Critical realism attempts to understand and respond to reality as perceived in real domains (Benton and Craib, 2001).

\textbf{Population and sample}

To answer the hypotheses, we conducted a comprehensive large-scale survey among Ugandan SMEs. For practical reasons, the geographical scope of the study was restricted to SMEs in Kampala district. The target population comprised of 93,117 registered SMEs with more than five employees based on trade, services and manufacturing sectors (UBOS, 2013), under this study, the SMEs are the unit of analysis while managers and business owners are the unit of inquiry. A total sample of 392 SMEs for this study was generated using Krejcie and Morgan (2006) sample size determination formula. In total, 456 questionnaires were received from respondents of 228 SMEs indicating a response rate of 58%.

\textbf{Measurement of variables, validity and reliability}

\textbf{Positive deviance}

Positive-deviance (PD) was examined by assessing the level of existing tolerance towards individuals who tend to do something different or unplanned, even when it causes doubts with others (Goldstein et al., 2010). The study also examined the behavior of certain individuals whose uncommon practices enable them to find better solutions to problems than their neighbors who have access to the same resources (Pascale et al., 2011). Confirmatory factor analysis (CFA) finally retained novelty experiments and positive deviant behaviors (Seidman and McCauley, 2008). The model had a good fit as shown in Figure 1, Chi-square =22.840; Degree of Freedom (DF) =24, Probability (P) = 0.529; Goodness of Fit Index (GFI) =0.977, Tucker Lewis Index (TLI) =1.002; Normed Fit Index (NFI) =0.975; Root Mean Square Error of Approximation (RMSEA) = 0.00. The Likert scale was 1-6. The validity was 0.750 and reliability was 0.920.

\textbf{Entrepreneurial networking}

The presence of strong and weak ties and a broad network appears to influence the persistence and success of entrepreneurs (Davidsson and Honig, 2003). The CFA retained interactions, ties, inter dependence and networking styles. It measured the relationships between contacts of the responding entrepreneur, resources like information, money, materials, social support and space. The CFA had a good model fit as shown in Figure 2: Chi-square =33.958; Degree of Freedom (DF) =29, Probability (P) = 0.241; Goodness of Fit Index (GFI) = 0.971; Tucker Lewis Index (TLI) =0.984; Comparative Fit Index (CFI) =0.990; Normed Fit Index (NFI) =0.937; Root Mean Square Error of Approximation (RMSEA) = 0.027.
The Cronbach Alpha (α) which assessed discriminant validity was above 0.5 (Fornell and Larcker, 1981). The observed factor loadings compared with their standard errors revealed evidence of an association between positive deviance and its respective constructs value was above 0.5, considered an acceptable reliability for each item (Mohajan, 2018). All variables for the study were tested for validity 0.850 and reliability 0.919, which were acceptable as they met the minimum value of 0.7 recommended by Nunnally (1978). Tables 1, 2 and 3 show the validity and reliability.

Data management and analysis

Four approaches of statistical analysis as used by Mustapha et al. (2011) were utilised in this study as follows: first, IBM SPSS statistics version 23 was used to compute the descriptive statistics (Field, 2005). Descriptive measurements were used to report demographic data and to check the level of all predictor, mediator and criterion variables. Frequency measures including percentage, mean and standard deviation, zero order correlations, reliability coefficients and plots were used in this process.

The analysis of moment structures (AMOS) Program version 23, a graphic and statistical analysis tool, was used for confirmatory factor analysis (CFA) and structural equation modelling (SEM) or path analysis, to examine the goodness of fit of the proposed model, and subsequently to estimate the structural coefficients pertaining to the hypothesised path model. The study used SEM to verify the hypothesised relationships between entrepreneurial networking variables, namely, positive deviance, ecologies of innovation and entrepreneurial networking among SMEs. This technique allowed the estimation of causal relations among variables as well as mediating effects of direct and indirect effects of mediator variables in the relationships between predictor variables and the criterion variable.

The test for common method bias was considered under this study. The problem of common method bias was solved by obtaining responses from different SMEs. Procedural remedy and careful construction of the items used in the measurement instrument was carried out. All ambiguous, unfamiliar terms, and vague concepts were removed, and all questions were kept simple, specific, and concise. Similarly, all double barrelled questions were eliminated by decomposing them into simpler and focused questions (Tourangeau et al., 2000). Thus, all items for the final study were re-worded and the scale anchors used in the pilot study maintained to avoid change in the meaning of the construct and potential compromise on validity. Scale formats, anchors, and scale values were maintained in order to avoid common method biases. Raw data collected from the field were screened for errors, missing values, outliers, and further test to assess assumption of parametric data was performed. The histogram, normal p-p plots, homogeneity of variance, and multi-collinearity were used to ascertain whether the data satisfied the assumption of parametric
test. Normality was tested by use of histogram and normal p-p plots, while the Levene's test was generated to test for homogeneity of variance. Furthermore, tolerance and variance inflation factor (VIF) statistics were generated to determine whether multi-collinearity was a problem in the data. However, the tolerance and VIF were achieved and tenable and were not a problem in the data as recommended by Field (2005) and Hair et al. (2010). Additionally, tests to examine the mediating role of ecologies of innovation in the relationship between positive deviance and entrepreneurial networking were carried out using guidelines set by Baron and Kenny (1986). The results of the mediating role of ecologies of innovation in the relationship between positive deviance and entrepreneurial networking are discussed subsequently.

**Qualitative data reliability, validity and analysis**

The study tested for the reliability and validity of the qualitative data based on Miles and Huberman (1994) quality of qualitative research criteria of conformability, credibility, transferability and dependability. The key informants were interviewed for 30 to 40 min to ensure all the necessary data was gathered from them. The interview notes and voices were reviewed to check for correctness and logical inference of the findings. Furthermore, the transcribed scripts were reviewed to check for the correctness and completeness of the data. The study also followed a specific procedure in coding and analysis of qualitative responses. The researchers were able to provide full explanation and account of all the ideas, records of observations and responses presented on each occasion of the interview process through self-participation in the interview process. The qualitative data was analyzed using content analysis based on thematic areas created guided by the study constructs and dimensions. The reliability and validity of the qualitative data were also ensured. The key informants were interviewed for 30 to 40 min to ensure all the necessary data was gathered from them. The interview notes and voices were reviewed to check for correctness of data. The transcribed scripts were further reviewed to check for the correctness and completeness of the data. The information was properly coded and categorized into the study thematic areas arrived at based on the study constructs and dimension. Furthermore, based on Miles and Huberman (1994), criteria for quality in qualitative research of conformability, credibility, transferability and dependability were ensured. Therefore, to ensure that conclusions were most reasonable from the qualitative data, confirmatory audit was conducted during data collection and analysis stages. It involved checking the retained recorded interviews and field notes to ensure logical inferences and quality of findings. Besides, credibility under qualitative research corresponds to internal validity and to ensure that qualitative inquiry was performed in a credible manner. This was achieved by the researcher personally involving himself to collect the qualitative data. In addition, the aspect of transferability was also considered. Transferability was achieved through use of specific procedures in coding and analysis of qualitative responses as stipulated by Miles.

### Table 1. Qualitative demographic characteristics.

<table>
<thead>
<tr>
<th>Interview</th>
<th>Position</th>
<th>Experience (years)</th>
<th>Age range</th>
<th>Level of education</th>
<th>Size of business</th>
<th>Nature of business</th>
</tr>
</thead>
<tbody>
<tr>
<td>TT1</td>
<td>Manager</td>
<td>15</td>
<td>50-59</td>
<td>Degree</td>
<td>Medium</td>
<td>Broadcasting</td>
</tr>
<tr>
<td>TT2</td>
<td>Manager</td>
<td>17</td>
<td>50-59</td>
<td>Degree</td>
<td>Medium</td>
<td>Hospitality</td>
</tr>
<tr>
<td>TT2</td>
<td>Development Manager</td>
<td>12</td>
<td>40-49</td>
<td>Degree</td>
<td>Medium</td>
<td>Cosmetics</td>
</tr>
<tr>
<td>TT3</td>
<td>Manager</td>
<td>7</td>
<td>40-49</td>
<td>Postgraduate</td>
<td>Medium</td>
<td>Clay products</td>
</tr>
<tr>
<td>TT4</td>
<td>Owner</td>
<td>12</td>
<td>50-59</td>
<td>Postgraduate</td>
<td>Small</td>
<td>Consultancy</td>
</tr>
<tr>
<td>TT5</td>
<td>Manager</td>
<td>8</td>
<td>30-39</td>
<td>Postgraduate</td>
<td>Small</td>
<td>Manufacturing</td>
</tr>
<tr>
<td>TT6</td>
<td>Owner</td>
<td>20</td>
<td>60-69</td>
<td>Postgraduate</td>
<td>Small</td>
<td>Consultancy</td>
</tr>
<tr>
<td>TT7</td>
<td>Manager</td>
<td>9</td>
<td>40-49</td>
<td>Postgraduate</td>
<td>Medium</td>
<td>Manufacturing</td>
</tr>
<tr>
<td>TT8</td>
<td>Owner</td>
<td>10</td>
<td>30-39</td>
<td>Diploma</td>
<td>Small</td>
<td>Trade</td>
</tr>
<tr>
<td>TT9</td>
<td>Owner</td>
<td>6</td>
<td>30-39</td>
<td>Degree</td>
<td>Small</td>
<td>Trade</td>
</tr>
</tbody>
</table>

### Table 2. Relationships between the study variables.

<table>
<thead>
<tr>
<th>Variable</th>
<th>Mean</th>
<th>SD</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Novelty Experiments-1</td>
<td>3.928</td>
<td>0.751</td>
<td>1.000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Positive Deviants-2</td>
<td>3.912</td>
<td>0.692</td>
<td>0.639</td>
<td>1.000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Positive Deviance-3</td>
<td>3.920</td>
<td>0.653</td>
<td>0.913</td>
<td>0.897</td>
<td>1.000</td>
<td></td>
</tr>
<tr>
<td>Entrepreneur Networking-4</td>
<td>4.161</td>
<td>0.490</td>
<td>0.535</td>
<td>0.523</td>
<td>0.584</td>
<td>1.000</td>
</tr>
</tbody>
</table>

**Correlation is significant at the 0.01 level (2-tailed).**
RESULTS AND DISCUSSION

Under this study, both correlation and regression analyses were used to test for linear relationships between the variables.

Descriptive statistics

The results show the characteristics of SMEs, business owners/managers. The nature of businesses was: trade 102 (44%), services 85 (37.3%), while manufacturing was 41 (18%). Among the businesses that the study focused on had existed more than 9 years counted 36%, while those which had existed 7 to 9 years were 35.5%, other businesses that had existed 4 to 6 years were 14.5% and 1 to 3 years were 10.5%. Most of business owners/managers who responded to the questionnaires were male (62.4%). The results reveal that the majority of owners or managers in the total sample were aged between 30 and 39 years (55.7%), followed by 18 and 29 years (26.7%), while 40 and 49 years were 15.4%, the category of 50 to 59 years were 1.7% and above 60 years were 4%, respectively. The number of years individuals had worked with the organisation 3 to 6 years (44.8%), this was followed with 1 to 3 years (34.8%), less than one year were 9.8%, while 6 to 10 years were 7.2%, 10 to 15 years were 1.7% and above 15 years were 1.7%, respectively. The highest level of education among the business owners and managers was degree at 83.3%, while 13.8 and 2.9% had post graduate qualifications. Among the sample respondents, 91.3% were managers while 8.7% were business owners. This means that most of the businesses have existed more than one year and respondents had adequate knowledge and experience to respond to the questions correctly.

Qualitative demographic characteristics

The nine key informants selected for the interview were proportionately distributed comprising of five managers and four owners. The proportional distribution of the interviewees provided an opportunity to get a representative view of entrepreneurial networking among SMEs. The age of the key informants ranged between 30 and 69 years. The managers scoring the highest age bracket between 44 and 50 years and owners falling in the age bracket 40 and 59 years. The age factor is paramount in explaining the maturing of the interviewees in establishing business and social relationships contributing to successful access to resources.

Pearson zero order correlation

Table 2 shows that the mean scores of the study variables range between 3.9 and 4.1, while standard deviations range from 0.49 to 0.79. This, for a six -point Likert scale, indicates that the concepts in the study were being practiced to a reasonable level. Moreover the standard deviations are small which implies that the study
Table 4. Competing models.

<table>
<thead>
<tr>
<th>Parameter</th>
<th>Model-1</th>
<th>Model-2</th>
<th>Model-3</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant)</td>
<td>4.003</td>
<td>2.772**</td>
<td>2.426**</td>
</tr>
<tr>
<td>Nature</td>
<td>0.047</td>
<td>0.009</td>
<td>0.009</td>
</tr>
<tr>
<td>Novelty Experiments</td>
<td>-</td>
<td>0.346**</td>
<td>0.218**</td>
</tr>
<tr>
<td>Positive Deviants</td>
<td>-</td>
<td>-</td>
<td>0.217**</td>
</tr>
</tbody>
</table>

Dependent Variable: Entrepreneurial Networking

<table>
<thead>
<tr>
<th></th>
<th>Model-1</th>
<th>Model-2</th>
<th>Model-3</th>
</tr>
</thead>
<tbody>
<tr>
<td>R</td>
<td>0.124</td>
<td>0.535</td>
<td>0.585</td>
</tr>
<tr>
<td>R Square</td>
<td>0.015</td>
<td>0.286</td>
<td>0.342</td>
</tr>
<tr>
<td>Adjusted R Square</td>
<td>0.011</td>
<td>0.280</td>
<td>0.333</td>
</tr>
<tr>
<td>Std. Error of the Estimate</td>
<td>0.487</td>
<td>0.416</td>
<td>0.400</td>
</tr>
<tr>
<td>R Square Change</td>
<td>0.015</td>
<td>0.271</td>
<td>0.056</td>
</tr>
<tr>
<td>F Statistic</td>
<td>3.547</td>
<td>85.378</td>
<td>18.891</td>
</tr>
<tr>
<td>Sig.</td>
<td>0.061</td>
<td>0.000</td>
<td>0.000</td>
</tr>
</tbody>
</table>

Regression results

The regression analysis was performed to test the association between the study variables.

H1 examined the relationship between positive deviance and entrepreneurial networking. The results show that there is a significant and positive relationship between positive deviance and entrepreneurial networking (β = 0.584, p < 0.05), and thus the hypothesis was supported. This suggests that positive changes in positive deviance are associated with positive changes in entrepreneurial networking among SMEs in Uganda.

Hypothesis 1(a): positive deviants are positively related with entrepreneurial networking. The results show that there is a significant and positive relationship between positive deviants and entrepreneurial networking (β = 0.217, p < 0.05), and thus the hypothesis was supported. This suggests that positive changes in positive deviants are associated with positive changes in entrepreneurial networking among SMEs in Uganda.

Hypothesis 1(b): Novelty experiments are positively related with entrepreneurial networking among SMEs. The results show that there is a significant and positive relationship between novelty experiments and entrepreneurial networking (β = 0.218, p < 0.05), and thus the hypothesis was supported. This suggests that positive changes in novelty experiments are associated with positive changes in entrepreneurial networking among SMEs in Uganda.

Hair et al. (2010) stipulates that if you do not achieve acceptable fit for the measurement model, model fit will not improve when the structural relationships are specified. Only when the measurement model is validated and achieves acceptable model fit can we turn our attention to a test of the structural relationships. Besides, they further states that two key differences arise in testing the fit of a structural model relative to a measurement model. First, even though acceptable overall model fit must be established, alternative or competing models are encouraged to support a model’s superiority. Second, particular emphasis is placed on the estimated parameters for the structural relationships, because they provide direct empirical evidence relating to the hypothesized relationships depicted in the structural model. In Table 4, the competing model, the Adjusted R square in model 1 was 0.011, when variable two was introduced it increased to 0.280 and model three is 0.333. 3. It shows that model 3 has a better fit.

H1: The results of the hypothesis show that positive deviance is associated with entrepreneurial networking. Positive deviants prefer novelty experiments that influence their decision to access resources from social networks to directly implement their perceived ideas because of their networking style. Some positive deviant employees realize that there is no internal enabling environment for them to access resources within, with employee support due to low interactions and use their ties and interactions in the network to access resources to support divergent views that may not be very popular to the whole organisation (Kibirango et al., 2017;
Goldstein et al., 2010).

This is also consistent with qualitative findings:

“This company produces body cosmetics and hair products. We have employees who come up with new ideas on product development, distribution channels and packaging. We allow our employees to compete in idea generation and every idea that is screened and approved, it is named after the employee and we give them a commission. It has helped us to be creative and open to new ideas. Interviewee” 1.

The positive deviant employees can only succeed to access resources from the social networks directly when they have support of business owner/management and when they are empowered to make decisions with high interaction and feedback of top management (Vadera et al., 2013; Lavine, 2011).

H1a: Positive deviants are associated with entrepreneurial networking. It is evident from the study that major innovations and novelty ventures rely on individual employee’ radical departures from the norm. The study shows that positive deviants’ act prompt critical reflection on the actions taken which is an opportunity for critical thinking and hence an evaluation of the identified and prevailing opportunities. Employees evaluate the viability of opportunities and mobilize resources from the networks through their interactions and networking styles. Further, this enhances interactions and double or multiplicative interactions among employees. From such meaning emerge as a foundation for opportunity exploitation and new venture creations. It is therefore vital to identify and nurture positive deviants (Lindhult and Hazy, 2014).

“Some of our employees think outside the box by generating new ways of doing things like new product development, distribution channels. The new ideas, new processes are referred to assurance committee to screen them so that we fund the best idea with high returns. Sometimes we find ourselves with two or three divergent good ideas and the resources are not adequate. We share the money, materials or airtime in case of radio stations and we test all of them so that we do not miss the opportunities. It has been helpful’. Interviewee 2.

Internal working environment is based on the conditions, entities, events, and factors within an organization that influence its activities and choices, particularly the behaviour of the employees. Basically, such conducive internal working environment can be provided through a degree of freedom, and the tolerance of trials and error type of governance. The environment motivates employees to share their conceived ideas with others outside endorsed relevant and adequate governing policies, structures, and/or new embryonic approaches/method. They sufficiently coordinate and facilitate the inter-dependent emerging (evolving) patterns; employee’s creativity, and innovativeness that enhance the access of resources from social networks (Kibirango et al., 2017; Goldstein et al., 2010).

Nurturing positive deviants require an enabled, adequate and favourable internal working environment with a certain degree of freedom and exercised tolerance of trials and error. In this case, organization managers ought to provide a flexible platform for enhanced rational thinking and learning. Positive deviance is used to develop interventions and implementation process based on the successful behaviours and strategies of individuals at risk. Despite their circumstances, they perform better than their peers did (Kelly et al., 2016; Goldstein et al., 2010).

The SME manager may choose to either reward the behaviour or take a non-action by refraining from punishing the deviation. On the other hand, if the action is judged to be harmful or ineffective like wrong product or processes, the organization may refrain from punishing the action and encourages, where possible, the employees to re-group and take a new approach or learn from the failure to help guide the next attempt (Kim and Choi, 2017; Hazy, 2013).

H1b: Individuals with uncommon sets of experiences and information, connect in a very meaningful way to have novelty experiments. Business Managers sometimes fail to manage deviant staff from the norms/policies, which affects the process of creating environment for innovation. The staff with divergent views try new ways of doing things through experiments tend to question the status quo and sometimes are pushed out of the organisation. Sometimes SMEs do not have structures to support staff with divergent views to test their innovative ideas (Muafi, 2015). Positive deviants face the challenge of having adequate internal working environmental and organization capabilities enhancement (degree of freedom, tolerance of trials and error). The qualitative findings support the quantitative data.

“We allow our chef to come up with new menu on every Friday. Once the product is liked by our clients, we adopt it to be part of the main menu. We allow our chef to experiment new ideas that is why our menu is good”. Interviewee 3.

Without dynamic and supportive management, positive deviants may not create conducive environment for interactions and accessing resources from entrepreneurial networks (Lindhult and Hazy, 2016). It is a non-linear system where linear approximation breaks down in the face of instability. It requires freedom among staff to fine-grain choice and actions of individuals who are influenced by common assumptions and beliefs. Novelty experiments can work if the SME has structures in place to support non-linear interactions (Chakraborty and Siriwardane, 2013; Goldstein et al., 2010). The experiments move
parts of the system away from normal routines to new learning. The experiments in novelty reflect departures from the currently accepted and conventional ways of functioning. These experiments can constantly go on in organizations, although such deviations are typically unnoticed or marginalized. Management can use the tool of positive deviance as social intervention that helps social systems identify and amplify novel experiments that have previously gone unnoticed, but whose problem-solving and opportunity exploitation potential can be unleashed. The key to dynamic management lies in creating a conducive environment in the workplace, in which experiments in novelty lead to innovative practices, processes, and routines, enabling an organization to become adaptable to the unprecedented levels of change characterizing today’s business environments and access resources from networks in unusual way (Carlile and Lakhani, 2011).

Conclusions

Understanding the power of positive deviance and entrepreneurial networking provides value and guidance to SME managers on the process and mechanism of stimulating and nurturing entrepreneurial networking among SMEs in Uganda and beyond. The findings indicate the importance of the positive deviance by tolerating divergent views of individuals who tend to do something different or unplanned, even when it causes doubts with others. The new ideas and order transformation can be a conduit through which positive deviants can entrepreneurially network to access resources for business competitiveness.

Experimentation readiness, nurturing positive deviants requires an enabled, adequate and favourable internal working environment with a certain degree of freedom and exercised tolerance of trial and error. In this case, SME manager ought to provide a flexible platform for enhanced rational thinking and learning. Positive deviance may be used to develop interventions and implementation process based on the successful behaviours and strategies of individuals at risk, despite their circumstances to perform better than their peers did (Goldstein et al., 2010). The implementation of divergent views with support of management provides the necessary support and removes barriers to the implementation of the proposed actions. This engagement is essential to promote opportunities for practicing positive deviance actions without causing losses to the SMEs (Walls and Hoffman, 2013).

Creating an error management culture ensures that business learns more, on the individual, team and organisation level. The errors made by positive deviants offer unique opportunities to learn. When information is communication takes place about errors, joint understanding and insight arise which benefit the detection, speed and quality of the error correction. Employees are also more inclined to explore, experiment and innovate, which leads to better results (Moore et al., 2014). The following recommendations are suggested to enhance entrepreneurial networking:

(1) The SME managers should endeavour to create a conducive working environment for positive deviant employees to interact and develop ties with other network actors to access tangible and intangible resources, especially in developing countries.

(2) Business owners/managers should create environment for error and trail. Employees should be given freedom to make experiments guided by policies. In case an error is made by positive deviant employee, management should focus on the process of learning from the mistakes and how to improve on the new generated ideas without punishing the employee since it kills initiatives. The organisation systems should accommodate information sharing and error management.

(3) SMEs must actively cultivate an environment which encourages employees to learn from each other rather than condemning differences in perception and deviation. If successful, these changes should reduce the anxiety and fear that typically accompany high-conformity minded work environments.

(4) In situations where management encourage employees to make decisions and take actions, the manuals and procedures should be used as guidelines to aid in the decision-making process rather than having strict rules that must be dogmatically obeyed and unquestioned.

The study limitations and areas for further study are:

The study was limited to trade, manufacturing and services sector SMEs registered and operating in Kampala, Uganda and it is possible that the results are only applicable to trade, services and manufacturing sectors. More so, the present study is cross-sectional; it is possible that the views held by individuals may change over the years. Although the constructs have been defined as precisely as possible by drawing upon relevant literature and theory, the measurements used may not perfectly represent all the dimensions. For example positive deviance (used here as a behavioural concept) is very much in its infancy. Similarly, we have employed entrepreneurial networking as proxy for entrepreneur’s access to resources.

Additionally, future research could use the same basic hypotheses, but implement the study in terms of a longitudinal rather than a cross-sectional design and, also test the model in other economies. In spite of the limitations, policy makers in Uganda and perhaps in other developing nations dealing with SMEs, academicians, business owners, managers and even general readers
interested in the field of positive deviance and entrepreneurial networking development might find this study useful.

CONFLICT OF INTERESTS

The authors have not declared any conflict of interests.

REFERENCES


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